

A publication of the Michigan Association of REALTORS®

MICHIGAN REALTOR®



MLS GROWING UP TO MEET THE TIMES

PLUS: The Myth of Multi-tasking Working To Get Listings Green Renovations The EMD Hot Potato



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Forget game-changer, let's talk about life-changer!

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09

2013

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Keys to a Commercial Lease

Last month the owner of a large residential brokerage firm that was experiencing considerable growth commiserated with me about the challenges she was facing finding new office space. We discussed the pros and cons of the marketplace, and found a solution to the seemingly insoluble problem with which she had been wrestling.

It occurred to me that setting forth the basics of a search for commercial space might help guide others through this thicket. Obviously, this primer applies to a range of commercial property searches:

To Lease or Not to Lease

There are many reasons businesses lease real estate. Not the least of these is the fact that someone else may own the prime location a business has to have. Other reasons to lease are: the “flexible financing” it provides, the relatively short-term commitment it requires, or the ease with which a lease can meet the space needs of a rapidly growing company.

Know anyone who has relocated their business recently? It does not always go well. Some people would rather have major surgery than move again. Of these, some tenants are just plain unlucky. Others could have managed the process better and saved themselves and their companies lots of lost workdays and stress.

Planning, Planning, Planning

Regretfully, there are no rules etched in stone about when to begin planning a company's move. The rule that may as well be etched in stone, however, is that your current lease has an expiration date; and your landlord may rent your space to someone else after that date. In other words, you could be out on the street, unless you plan ahead.

A Year Ahead?

The actual timing is driven by many variables; space availability on the market, company size, necessary specialized improvements, etc. But, try starting as much as a year ahead. Doing so will give the company a sense of the market; a chance to learn what the supply of available space is and how much it costs. If you use a real estate brokerage firm, it will also give you a chance to see how you and your broker work together. The bad news is that neither landlords nor brokers are going to brim with excitement when they hear from you at this early stage. The interests of the company are at stake, aren't they? Think of this period as the insurance premium you pay toward your successful move.

Comparison Shopping

Look at enough properties to make a useful comparison of them. Include your current space in this analysis. Compare price, amenities, construction quality, neighbors and parking. Also, check out the landlord. Who owns the building? What is their reputation in the market? If you are a tenant, whom will you call when the property needs maintenance? Try talking with neighboring tenants about their experience in the building.

Homing In On The Right Address

One or two of the prospective properties will rise to the top. If the tenants are required to pay the cost of utilities in suites, check to see if it is separately metered (i.e., gas, electricity, maybe water), and that the respective meters serve that space alone. Scaled, “as-built” architectural drawings of the space can enable you to verify the landlord's square footage calculations. “Rentable” and “usable” square footage are terms you should understand; they can have substantial economic consequences.

This Is The Dirty Part

If suite construction is necessary to remodel the “number one” space to suit your needs, take the time to understand the process. There are enormous pitfalls in time, money and frustration which people you might know have fallen into, so check with acquaintances who have undertaken similar moves. You can avoid the pitfalls if you are working with competent professionals. Depending on the terms of the prospective landlord/tenant relationship, get a “comfort level” with the owner's ability to deliver the specified improvements on time. Ask to meet with the architect, maybe the contractor, too. Be certain everyone agrees your projected move-in date is realistic. Ask for a construction “time line” against which you can measure progress when the work begins. Be wary of “change orders.” That's where the budget begins to fall apart.

Attorneys Have A Place

Real estate, whether it is owned or rented, continues to get more sophisticated. A real estate broker's market savvy will save you time and perhaps money. Also, find a good attorney with real estate experience in your market. The attorney's job is to solidify all the good intentions you and your broker and your colleagues brought to the table in a legally binding document; the Lease. **MAR**

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 A portrait of Bill Milliken, a man with short dark hair, wearing a dark suit jacket, a light-colored shirt, and a striped tie. He is looking directly at the camera with a slight smile.

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Seeing the Trees for the Forest

Reporting on government affairs activities is often tricky because our association is involved in so many pieces of legislation and policy discussions throughout the year. Any of your fellow REALTOR® members serving on the MAR Public Policy Committee can attest to that fact. As larger issues make their way to the forefront, like our recent victory to preserve the foreclosure redemption period, smaller issues are often given little fanfare in this Capitol Report.

The MAR E-News, On The MARK newsletter, and the MAR video casts have become the forum for the most cutting-edge information on ALL of our legislative efforts. I say it is time that we give these “other” issues their due acknowledgement in this month’s report. Hopefully, this month’s column provides insight to the breadth of issues that the Public Policy Committee and MAR Government Affairs staff are working on throughout the year.

Michigan Wetlands Program

Over the years, MAR has worked with other interest groups to preserve the unique status of Michigan to control its own wetlands program outside of the Environmental Protection Agency. This program has benefited our State and REALTORS® by providing clear and consistent regulation, faster permitting decisions and a fair appeals process. This year, Senator Mike Green (R- Mayville) introduced Senate Bill 163, which represents many years of work by the Michigan Department of Environmental Quality, the MAR and other stakeholder groups to find continued efficiencies for this regulatory program. The bill further addressed needed issues to maintain our program; one that stands apart from the federal government.

MAR members and staff have taken part in a number of Senator Green’s work groups to ensure that private property rights would be protected under the wetlands legislation. The product of these work group meetings is a bill that improves upon current definitions within the act, expedites permitting for certain activities, and improves the flexibility of mitigation requirements. I am happy to report that the Senate and the House passed the bill and that Governor Snyder signed it into law on July 2nd. As a result, applicants for wetland permits can expect more certainty and timeliness from the department. The new law strikes an important balance between protecting Michigan’s water resources and promoting economic development.

Improving the Michigan State Housing Development Authority

The MAR is working with the Michigan State Housing Development Authority (MSHDA) on a package of bills to provide additional efficiencies and improvements to their current slate of programs. The legislation builds upon the association’s proud partnership with MSHDA and creates additional opportunities in the market for low and moderate income families. The package consists of Senate Bills 345, 346, and 347, sponsored by Senators Mike Kowall (R- White Lake), Virgil Smith (D- Detroit), and Mark Jansen (R- Gaines Twp.), respectively.

Senate Bill 346 is an important piece of this legislation that will clearly define MSHDA as Michigan’s “sole state public housing agency.” This clarification will allow the authority to work more efficiently with federal entities such as the Department of Housing and Urban Development (HUD) to assist Michigan homebuyers. Under the proposed bills, MSHDA will be given the authority to create a mezzanine investment fund for investing in multi-family housing projects. The goal is to provide gap financing for multi-family housing projects that is lacking in the current market. The fund will be made up of seed money from MSHDA and will be supported by additional in-state and out-of-state investment.

All of the bills passed the Senate with large bipartisan support. The three-bill package awaits passage by the Michigan House of Representatives. The MAR Public Policy Committee supports this legislation to further the mission of MSHDA in providing housing assistance.

Principal Residence Exemption for Real Estate Owned Properties

Earlier this year we reported extensively on legislation to streamline the process for allowing homes in a lenders inventory to retain their Principal Residence Exemption (PRE). This legislation allows for prospective REO home buyers to qualify for financing based on lower property taxes and begin paying the PRE rate upon moving into the home. As many of our members know, higher taxes for escrow purposes can often result in homebuyers missing out on an opportunity to purchase a new home.

Despite opposition from the Department of Treasury, House Bill 4135, sponsored by Representative Frank Foster (R- Petoskey) received



“... as larger issues make their way to the forefront ... smaller issues are often given little fanfare in this Capitol Report ... I say it is time that we give these “other” issues their due acknowledgement in this month’s report.”

bi-partisan support when it was reported out of the House Tax Policy Committee. The bill still remains very much in play this year as it awaits action on the House floor. The MAR policy staff continues to work with Representative Foster’s office and the Department of Treasury to examine the full fiscal impact of this legislation. It is important that legislators understand the long term effects this policy could have in stabilizing property values and eliminating REO inventory to fuel our current market recovery.

Issues on the Horizon

In addition to these bills already in the process, the MAR Public Policy Committee remains involved in drafting a few pieces of critical legislation that have not received formal legislative introduction. In the com-

ing weeks, the legislature will be rolling out bills based on our front-loaded efforts with legislation benefiting REALTORS®, their clients, and the environment.

MAR worked with the Department of Licensing and Regulatory Affairs (LARA) to reach an agreement on expanding the opportunities for continuing education as well as streamlining the approval of courses and license renewals. The association also has strong support for efforts to create a statewide septic code that reduces duplicative regulation and allows for further approval of alternative systems. Additionally, the MAR is responding to concerns from our local associations over the access to local property tax records.

Rest assured, we will keep you up to date and informed on these issues through all of our MAR communications. Please follow further developments through MAR E-news, On the MARk, and our Government Affairs Videocasts. **MAR**

This is no tall tale.....

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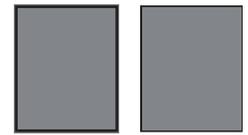


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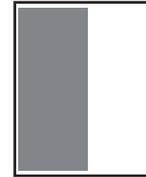
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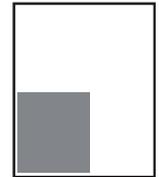
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keeping

SCAMMERS

at bay



BY ROBERT SICILIANO

07

CLASSIFIEDS RIPE FOR RENTAL FRAUD

I once listed a property for rent on Craigslist that scammers ended up relisting for a third of my asking price. People would pull into my driveway and knock on my door while the listing was active and even after the listing I posted had expired.

Business Insider reports, “Since lenders have tightened their requirements for getting a mortgage—which is making it harder to buy a home—the rental market is hot right now. Turns out, so is the online identity theft market, which is why it’s no surprise that identity thieves are attacking people who are looking to rent.”

Here’s how the scam often works. The scammer copies and pastes the ad and



poses as the homeowner, who is conveniently away traveling on business overseas. In order to generate traffic, the scammer lists the ad for much less than is being asked. When people respond to the ad, the scammer tells them they can rent it out—all they have to do is forward him the first month’s rent via a money wire overseas. Some people will want to drive by to get a look without actually going in, and that’s enough for them to send the money.

The way I thwarted this crime under my watch was to continually scan Craigslist for keywords related to my ad to see if it was being posted by a scammer. When I discovered a fraudulent post, I emailed abuse@craigslist.com with the link. Craigslist was very responsive and took the posts down. The scammer was equally diligent, however: I had to do this almost 20 times during the period I was renting out the apartment.

5 MORE MOBILE SECURITY TIPS

A cybercriminal’s full time job is creating new crimes, and he or she will make full use of technology to hide their activities to fool you. And with mobile devices, this is no different.

The threat to our mobile devices is also high because our smartphones are always connected, they usually carry some personal data, and they are even equipped with small cameras, microphones, and positioning devices (just like the spies carried in old movies). And, because there are more built-in devices options (like cameras and microphones) compared with computers, it makes the operating systems and apps more complex, increasing the way that cybercriminals can take advantage of any security holes.



You can, however, focus on doing some things that will help you be more secure when using your mobile devices. So here are five tips to help keep you and your information safe.

Be careful when “checking in” on social sites: Facebook, FourSquare and other geo-location programs are fun and sometimes you can score some deals for “checking in” at locations, but you also want to be cautious of letting people know where you are – especially if you’re away from home. You may also want to consider disabling the GPS (global positioning system) on your smartphone or tablet so your photos don’t have latitude and longitude information embedded into them when you share them.

Don’t remember it-forget it: Don’t set user name and pass-



8 WAYS TO AVOID CONTRACTOR FRAUD

Need a new roof, home security system, kitchen, driveway or furnace? At some point, you will. And when you do, you’ll search out reputable contractors who offer fair pricing via the classified section of the local paper, an online search, Craigslist or by making some calls to friends and family who know someone. Each resource provides its own set of pros and cons; and scammers use each resource.

REDUCE YOUR RISK. People don’t do their homework. People are naïve and have no clue that someone may be looking to scam them, and they think they are so smart that nobody can. But if you are smart enough to know that this can happen to you and do your best to prevent it, you reduce the risks associated with contractor fraud.

DO YOUR HOMEWORK. Read up on what the processes are needed to do the job at hand. While a new roof or home alarm may not be something you want to learn how to do, there are plenty of “do-it-yourself” (or “DIY”) websites that can teach you. Spending two minutes searching and 20 minutes reading can save you money and make you sound intelligent to the contractor by asking the right questions.

HIRE RIGHT. Do business with someone you know, like and trust. Use well-known brands that vet contractors and have zero-tolerance policies for shoddy work. Find a friend or other trusted source who does know a contractor and hire that contractor. Use the *Better Business Bureau* when looking for reputable companies.

GET THREE BIDS. Be cognizant of how prospective contractors handle themselves, their level of



How can you protect yourself from scams like this, or other scams that take advantage of online classified ads?

Use common sense, be smart and pay attention. If you do that, you won't fall for these types of cons.

Be very careful who you contact and who contacts you. You never know who the person is or what his or her motivation may be.

Whenever possible, deal locally. People who cannot meet you in your town are more likely to be scammers. And even when you do meet in person, you still should be wary.

Never engage in online transactions involving credit cards, cashier's checks, money orders, personal checks, Western Union, MoneyGram, cash or anything that requires you to send



money to a stranger in response to money he or she has sent you. This is known as an advance fee scam.

Be smart. Don't disclose your financial information, including account or Social Security number, for any reason. Look out! Scammers will say anything in order to get this information.

Many classified sites stop fraudulent ads from being published in the first place by incorporating device-based intelligence that helps them assess risk upfront. Fraud prevention technology offered by iovation Inc. not only helps these sites identify repeat offenders coming in under multiple fake identities, but also detects when scammers are attempting to place multiple fraudulent ads using a variety of computers, tablets and smartphones to do so. This greatly helps rid these sites of undesirables and protects their valued members.

words to be remembered in your mobile browser or in apps and make sure you always log out of accounts when you access them. And, like on your computer, make sure you use strong passwords and different passwords for each of your accounts.

Be careful what you share: Yes it's fine to stay in touch with our friends and family via social networks, but be careful what you share. Even if your privacy settings are set to only let your friends see the information, it's best to take the approach that once something is online, it lives forever. Think about whether or not you're really ok with your grandmother or boss seeing that update, picture or video.

Don't text or email personal information: While this might seem pretty basic, too many people do it far too often. We may find we need to share credit card numbers or personal details with another person. But this should be done via a secure site or

app or use your mobile's other function (the basic phone part). Emails and texts can be intercepted and then your information can fall into the wrong hands. Also, remember that legitimate organizations like banks will not ask you to text those personal details, so if you see requests like that, it's most likely scam.

Turn off your Bluetooth: If you're not using this connection, it's best to turn it off. Not only will this help save your battery life, but it will prevent hackers from accessing your device through this technology. Many devices are preset to use default settings that allow other users to connect to your device, sometimes without your knowledge. In some cases, hackers can access a phone's contacts, calendar, text messages, and more.



understanding of the work at hand, and whether or not they voluntarily offer up references. Don't just automatically trust the guy with the whitest teeth and lowest price. Pay attention to your gut.

CHECK REFERENCES. If it makes sense for the job at hand, drive by a house that the contractor referenced and actually look to see the quality of the work that was done. Often, construction jobs costs thousands—and taking the time to check work is worth your time.

GET EVERYTHING IN WRITING. Make sure the contract clearly spells it all out.

BUY THE STOCK YOURSELF. Many contractors will request money up front to do the job. Often they need that money as a "commitment" to do the job and motivate them to fill their trucks



up with the tools and stock to do the job. I recommend you go with them to whatever supplier they get their stock from and pay for it directly. If they charge a markup on the stock (it's usually 15 percent), tell them you'll gladly give that to them.

PAY IN THIRDS. You've already paid for the stock, so now all you have to do is pay for labor: one third upon showing up to do the work, one third halfway through the job and one third when they are done. **MAR**



Robert Siciliano, CEO of www.IDTheftSecurity.com is fiercely committed to informing, educating, and empowering Americans so they can be protected from violence and crime in the physical and virtual worlds. Contact Robert and read his blog by visiting www.robertsiciliano.com.

As environmental awareness spreads, energy costs continue to rise and green technologies continue to develop, it is increasingly important for homeowners to make their homes more energy efficient and environmentally friendly. Traditional home renovation projects can be quite costly. Luckily, there are many financing options and green renovations that homeowners can undertake, even on a limited budget.

Radiant Barrier

A radiant barrier is simply a foil that has a reflective backing that -sunlight away from the home, rather than absorbing it. This often-overlooked green renovation is both simple and budget-friendly. By installing a radiant barrier in the attic of your home, you will use less energy to cool your home and benefit from lower monthly electric bills.

Solar Heating

If you happen to live in a cold location that requires the frequent use of a heater during the winter months, then going green with a solar heater should be a definite consideration. Solar heating systems store the energy from the sun and use this solar power to heat the home. This simple green renovation project can significantly reduce your heating bill, which makes it great for the environment and even better on your wallet.

Tankless Hot Water Heater

Traditional hot water heaters that utilize a 40-gallon tank are a green person's worst nightmare. These run constantly in order to keep large amounts of water hot at all times, which severely increases your gas or electric bill, even though you may only use hot water a handful of times each day. Tankless hot water heaters are an easy and efficient fix to this problem. Not only can tankless hot water heaters cut your energy bill nearly in half, but they also last twice as long as traditional units.

Meeting LEED Specifications

The modern Leadership in Energy and Environmental Design (<http://www.usgbc.org/leed/developing-leed>) is an initia-

tive that allows you to earn tax incentives and rebates simply for meeting certain green requirements. If you plan on building an addition to your home, making the new structure as green as possible in order to attain a certified LEED rating is definitely worth considering. Some LEED requirements include using recycled materials, implementing solar cells for energy production, installing a geothermal heat pump, or simply designing a space to minimize heating energy requirements. Having an LEED certified home may cost more upfront, but there are online sources that offer the best home improvement loans in the industry. In addition to receiving valuable savings for your green efforts, the resale value of your home will improve nicely as well.

Get the Best Home Improvement Loans

There are many financing options available that can help you fund your energy efficient renovations. Some of the most popular options for homeowners are:

- **Home Equity Loan:** If you have built up any amount of equity in your home, you can take out a home equity loan that will allow you to build up even more through energy efficient renovations. For example, if you have \$50,000 worth of equity built up, you may qualify for a home equity loan up to \$50,000. Obviously, there are a number of energy efficient renovations that you can accomplish on a much smaller budget, but it is nice knowing that you have the option of acquiring such funding if you need it.
- **Home Equity Line of Credit:** People often confuse home equity lines of credit with home equity loans. Both of these use the equity you have built up in your home as a determining factor, but home equity lines of credit are more similar to credit cards. They just have a much lower interest rate. Instead of a home equity loan that pays you a lump sum amount, home equity lines of credit make a certain amount available for you to use whenever you like.
- **Unsecured Loan:** If you do not have equity in your home, like many these days, then unsecured loans are an excellent option to gain funds for home renovations. Unlike home equity loans and lines of credit, unsecured loans do not use your home as collateral. However, financial institutions do charge higher interest rates for unsecured loans due to the added risk involved.

There are a number of green renovations that will make your home much more energy efficient. Although undertaking some of these energy efficient projects may require an upfront investment, you can search online to find the best home improvement loans available that will help fund these worthwhile renovations. The extra effort of making your home more energy efficient will definitely pay off in the long run. **MAR**



Brent Wayne writes for MortgageLoan.com, which is established year 1995 and owned by MortgageLoan Directories and Information LLC. The site provides information, tools and up-to-date news about mortgage and financial-related matters. The site aims to empower consumers create smart and better financial decision for themselves and for their families.





how
GREEN
is your
renovation
project?

BY BRENT WAYNE

Michigan's

MLSs

COMING of AGE

Like all industries, the real estate industry is continually changing and evolving to incorporate the exponential growth of technology. In particular, the ubiquitous multiple listing service (MLS) is in a constant state of evolution, in a quest to develop a system that works well for REALTORS® and consumers alike.

Since its inception more than a century ago, the MLS has evolved from information shared at local meeting halls to index card libraries, then books, simple proprietary databases, and finally a range of complex online databases, repositories, and MLSs providing listings on a local, regional, state or national scale to anyone, anytime, anywhere.

Many REALTORS® are skeptical of the advantages and quality presented by these listing venues. As millions of homebuyers and sellers alike rely upon Realtor.com® or other data aggregation web sites, there is a greater urgency to ensure accuracy and professional involvement. Recently, the National Association of REALTORS® (NAR) announced upcoming changes to Realtor.com®, its official web site for consumers, which, they say, will “simplify our site and make it easier to use.”

THE MLS LANDSCAPE

In Michigan, MLS consolidation has been discussed in various committees, boards and association meetings for years. As communities grew and REALTORS® expanded their service areas, the need to subscribe to multiple MLSs and the time spent searching them quickly became a burden to all but the most localized agencies. Add to that the different MLS formats and training requirements and it is easy to see why the MLS consolidation movement was inevitable.

In 2008, the Michigan Association of REALTORS® (MAR) convened an ad-hoc committee that surveyed every MLS in the state to determine a path

for the future. According to Committee Chairman Kelly Sweeney, chief executive officer of Troy-based Coldwell Banker Weir Manuel, the question of whether or not to pursue a statewide MLS was met with “a resounding no from association executives (AEs).” However, he added, what they did say they wanted was “a single statewide database into which each MLS could submit their listing data and then an aggregated database that included all listings would be fed back to each MLS. Under such a format, agents could choose to subscribe to the MLS that best met his or her needs since each MLSs would have all of the data.”

To date, Michigan’s real estate industry does not have one statewide database in place, but instead is served by a combination of small MLSs, listing data repositories and large MLSs formed by cooperating associations and boards to create one regional MLS.

THE REPOSITORY MLS MODEL

The “repository” MLS model is now in place in both east and southwest Michigan. In the east, the Great Lakes Repository (GLR) was created at about the same time as the MAR committee revealed its findings. According to the GLR web site, the “single shared database” saves money by allowing users to access one MLS of their choosing with access to standardized, secure and up-to date listings. Each member MLS has a separate data-sharing agreement with the GLR. To date, the GLR has agreements with 10 MLSs from Southeast Michigan to Saginaw (including Flint and Lenawee County) and as far west as Hillsdale and Jackson counties in the south. According to Sweeney, the GLR “provides the exact solution” for the MLSs surveyed in 2008 who wanted one aggregated database feed to the MLS vendor of their choice.

Similarly, the Southwestern Michigan Regional Information Center (SWMRIC) provides a repository for member boards and associations in 22 counties in south and west Michigan. The Grand Rapids Association

of REALTORS® (GRAR) has used SWMRIC for three years and Chief Executive Officer Julie Rietberg says the consolidation of data into a single database is not only a great asset but also serves to bring member groups together. “(SWMRIC) creates a much more pleasant and cooperative environment between the associations which encourages cooperation in other areas (educational offerings, legislative issues, etc.) that enhances effectiveness and efficiency.”

On the downside, Rietberg adds that SWMRIC requires that everyone use the same MLS vendor, whether or not it is a good fit, since that’s the only model the industry has known. “We look forward to the day when we are able to allow the customer (member) to select any MLS vendor they choose rather than requiring all associations within the repository to use the same, i.e. all vendors could receive a feed of the data and offer services to our members, and the members select whichever vendor offers them the best solutions to fit their needs/business model.”

THE REGIONAL MLS MODEL

Also well entrenched is the MLS that is owned by multiple associations and operated as a regional company. Farmington Hills-based Realcomp II Ltd. is owned by eight local boards of REALTORS® in the southeast and thumb areas of Michigan and is approaching its 20th year of operations. Realcomp’s web site boasts almost 2 million listings, more than 10 million online photos, and more than 172,000 linked virtual tours. The company’s public listing site, MoveinMichigan.com, offers a variety of features for consumers and Realcomp syndicates listings automatically to more than 30 web sites, including their public listing site.

Chief Executive Officer Karen Kage, says she has been in real estate since index cards were the MLS and there is no doubt that technology is now the key to success. “Consumers are demanding technology. The changes in the past year alone are greater than the past 15 years put

together. Both agents and consumers want it all, right now!”

Realcomp II Ltd. currently serves more than 11,000 agents, brokers and appraisers and also has data-sharing agreements with Flint, Ann Arbor and Greater Lansing. According to Kage these agreements mean, “access to data for all, while maintaining data security.”

Up north, the Northern Great Lakes REALTORS® MLS (NGLRMLS), was recently formed by consolidating three northern lower Michigan associations and boards: the Traverse Area Association of REALTORS® (TAAR), the Central Michigan Association of REALTORS® (CMAR) and the Northeastern Michigan Board of REALTORS® (NMBR).

Kimberly Pontius, executive vice president of TAAR, who participated in the consolidation that went online March 18, 2013, says, “We had 12 MLSs in northern Michigan, so we had consumers searching 12 different MLSs for northern Michigan properties. We asked ourselves, ‘what does the consumer want?’ And, the answer was ‘everything that is available in northern Michigan, all in one place.’”

As someone who is not a life-long real estate industry member, Pontius says his earlier careers in manufacturing and economic development helped him think outside the box and see that things had to change if the industry was to prosper. The goal he said was to become “friendly competitors, share advertising and show ourselves as a team with everyone pulling for the team. Our MLS strengthens our industry ‘coopetition.’”

Moving forward, Pontius says they hope to continue to grow as more small MLSs join and he sees the regional concept as a big help to introducing consumers to all areas of northern Michigan. “We are driven by consumers and consum-

ers are driven by price and we think that ‘the rising tide floats all boats,’ so (the NGRMLS) will help drive the market more equitably across all of northern lower Michigan.”

SERVICE STILL #1

No matter the MLS format, one thing is sure, as technology continues to improve, everyone must embrace it while keeping the consumer front and center. Jim Fase, a REALTOR® with Prudential Preferred REALTORS® in Rockford agrees. “Today’s consumers are already on board the technology train. If we don’t get on board, we will miss it. Ignoring technological change is the first step toward the end of your business. As we move forward, everything we do has to be central to servicing the consumer.”

In reality, continuing to provide top-notch service may mean that small MLSs must honestly evaluate their ability to keep up and remain viable. Dan Elsea, president of Brokerage Services for Real Estate One, Michigan’s largest real estate brokerage, says consolidation may be painful, but necessary. “It probably does cost jobs, but the most important thing is to serve the consumer. I think repositories are a great idea as is (data) standardization, and larger MLSs probably have a bet-

handle on data accuracy and security.” However, he adds, “I have never been on a board when they were willing to say it is in the best interest of our users that we close (our MLS) down.”

TAAR’s Pontius says northern Michigan’s new NGLRMLS also provides agents a greater opportunity to be the “subject matter experts” they really are. “We still need feet-on-the-ground local REALTORS®. It is their job to take the listing information, apply their local knowledge and synthesize the market-specific data so it is interpreted correctly by the consumer,” something he says the data aggregators cannot do.

The bottom line, according to Fase, is that REALTORS®, associations and boards have to work better together to manage and leverage technology, strengthen the industry and present a united front. “The way we protected data and local customs in 1965 no longer works today. We need to start trusting each other and we need our leadership to be a strong voice for all agents.” **MAR**

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It is Time to
Forsake

Multi-tasking



BY JEFF DAVIDSON, MBA, CMC



Here in the dead of September, may I share a truism with you? REALTORS® and real estate agents find themselves perpetually attempting to do many things at once. As the Internet, mobile devices, and a myriad of other technological wonders become increasingly integrated into our lives, it gets harder and harder to concentrate on any single item. Everywhere you look, you are besieged by competing demands for your time and attention, commanding you to practice multitasking. “Answer the phone.” “Click here.” “Push here.” “Open me.” “Switch me on.” “Do it all at once!”

Equally unfortunate, multi-tasking is often promoted to as a way for real estate professionals to meet the complex demands of our modern society and accomplish more in the same amount of time. Have you ever attempted to work on a presentation, while cruising the Internet, or talking on the phone? You don't accomplish much, and time mysteriously disappears.

Multi-tasking Largely Doesn't Pay Off

Attempting to do many things simultaneously can actually have the opposite effect; it makes your work less efficient and contributes to stress. No matter what analogies or metaphors you may have heard, a human being is not a computer. Computers can multitask with ease; the Windows operating system, for example, is capable of running any number of programs without sacrificing accuracy or peace of mind. While there are some low level tasks in which you can multi-task, such as eating and watching television, for sales pros, multi-tasking is an idea whose time should never have come.

Alas it's all too easy to fall into a familiar trap: “So much is expected of me, I have to double and triple my activities.” Nevertheless, if you attempt to multitask at home or on the job, you're likely mess up something in your day or week. Research shows that multi-tasking seldom enables people to accomplish more, if you take the long-term view. A study published by the American Psychological Association's Journal of Experimental Psychology, Human Perception and Performance,

found that the effects of multitasking could actually be counterproductive.

The primary cost of multi-tasking is, ironically, the very thing that sales professionals are desperate to save – time. Multi-tasking is not only ineffective; it's also potentially dangerous. Concentrating on a distant phone call inevitably detracts from a driver's ability to focus on the road, putting them at dire risk of injury. Several recent studies have found that cell phone use while driving leads to an increased risk of automobile accidents.

Give Attention to the Task at Hand

So how are you supposed to fit in all of your daily tasks without getting so stressed out or frustrated that you cannot finish any? The answer is: less is more.

Science has shown that your brain works best when it gives sharp attention in one direction. Therefore, the key is to focus on the task at hand and be present in the moment. Sounds pretty simple, doesn't it? If you doubt that this is sound advice, then you can set up an easy test right in your own office!

Think of three easy tasks, such as drawing twenty stars on a piece of paper, linking twenty paper clips, and stacking twenty pennies. Then, set up a race with a friend or family member. One person must proceed through the tasks sequentially, taking each assignment to completion before moving on. The other person has to rotate among the three tasks, doing three or four stars, two or three paperclips, and then three or four pennies.

All other things being equal, who is going to win every time? The person who doesn't switch tasks frequently will be the winner. There is no greater efficiency than focusing on the task at hand and giving it your full concentration. As a friend of mine succinctly sums it up: focus beats brilliance.

You Can Work Smarter

When an airline flight is canceled and people rush to the reservation desk and scramble to catch the next plane or some other connection, does the gate agent attempt to take on five or ten people at a time? No. He or she looks at the computer and handles a particular customer's rerouting, looking up only sparingly. The attendant is not fazed by a 20-person line because it is clearly practical to pro-

ceed through it one customer at a time.

Suppose the phone continually interrupts you whenever you try to work at your PC. You cannot do your best work because when the phone rings you lose your concentration and focus. How can you handle that situation so that both jobs get the best of your attention? The key is a process called mental completion.

When the phone rings while you are working on your computer, silently recognize yourself by thinking, “I acknowledge myself for coming this far on this project.” Then save the work on your screen and turn to the phone. Give the caller your complete and undivided attention; take notes, even smile into the phone. Do whatever you need to do in order to be successful on that phone call. Then, at the conclusion of the call, put the phone down, acknowledge yourself for handling it, and finally turn back to your PC and begin again.

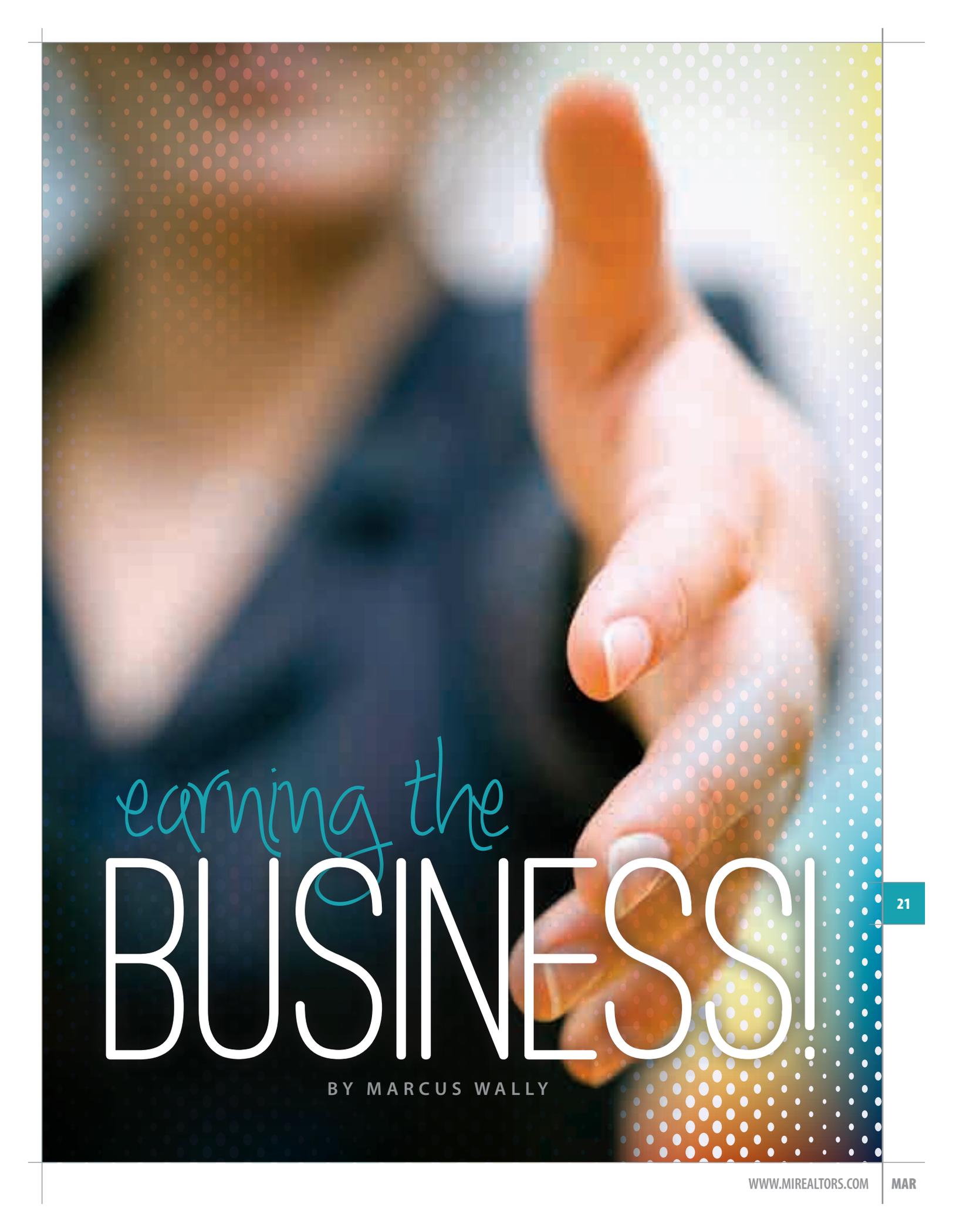
The process of giving yourself a mental completion on all tasks, or even thoughts, sets up a mental partition. You gain more energy, more focus and more direction for your next task.

Concentrate and Prosper

If you can continually hone and refine your powers of concentration you'll do a better job and have more time at the end of the day. Both your commissions and your peace of mind will improve. **MAR**



Jeff Davidson, on the web at www.BreathingSpace.com, holds the registered trademark as “The Work-Life Balance Expert®.” Jeff is the leading personal brand in speaking, writing, and reflecting on work-life balance issues and he has a passion for speaking to organizations that want to help their employees make rapid progress in this arena. Jeff is the author of “Simpler Living,” “Breathing Space,” “The 60 Second Self-Starter,” “The 60 Second Organizer,” “The 10 Minute Guide to Managing Your Time,” and “The 10 Minute Guide to Managing Stress,” as well as 24 iPhone apps in his “Work-Life Guide” series on iTunes. Jeff's books have been published in 18 languages including Arabic, Chinese, Japanese, Malay, Turkish, and Russian. Jeff has been interviewed 19 times by the Washington Post, Los Angeles Times, Chicago Tribune, Christian Science Monitor, New York Times, and USA Today. He currently is a columnist for 12 publications, among them Accounting Web, Association News, Human Resources IQ, Inside Business, and Real Estate Professional. Jeff also is an Advisory Board member for The Organized Executive, a monthly publication of the Columbia Books, Washington DC.



earning the
BUSINESS!

BY MARCUS WALLY

Job hunting today is more competitive and fierce than ever... and earning a solid, well priced listing is the main bread and butter of all top producing REALTORS®!

After all, having well priced listings is kin to having a certificate of deposit (CD) in the bank... money that will become due and payable in the short term!

Going after a listing is the same as interviewing for any type of professional job. It is most critical that we are super-prepared, and the most important first step is having a sharp, up-to-date bio and/or resume. You would never think to go on a job interview without this document, so I am always surprised when my competitors don't bring a copy of their most current resume to offer to the seller right up front. Actually, I use this as a way to separate me from the pack.

Right after my introduction to the seller, and we are seated, I pull out my personalized bio/resume and offer this to them as one of my best tools to show them how professional and organized I am.

And then I ask the question: *"Have the other agents that you have interviewed given you a copy of their credentials?"*

Of course, this is a most leading question, as very few agents have thought to bring their resume to the "job interview," and going on a listing presentation it just that: A job interview.

This action immediately puts me out in front with the seller and sets the stage for me to be at the top of my game from the starting gate.

Then I begin by also offering a few of my business cards. I always share two, one for the customer to keep and one for them to share with family and friends. I never just give one business card, as they will never give that card away, they'll hold on to it as a way to contact me. I need their help to promote me and toot my horn. After all, word of mouth is the best marketing I can have. The cost of personal testimonials is low, so my profit margin is high. Being in business for ourselves, we must always be aware of our bottom line.

When they look at me and tell me that I accidentally gave them two business cards, it opens the door for me to explain their role in helping to grow my business and how they can contribute to my overall success. People are usually most interested in being part of the "team" and are willing to help if you just ask for their assistance. A big smile here draws them in.

Another solid point is to find out quickly whom we may know in common. I just received a phone call while I was creating this article from a woman who wanted to list her home. Once we introduced ourselves over the telephone, I asked her what her address was, and the moment she said "Marilyn Avenue," I immediately asked her if she knew Ray and Rose? These are friends and customers that I helped purchase a home on Marilyn Ave less than two years ago, and I was hoping that this caller might know her neighbors! She immediately said yes and mentioned how Ray had helped her install a deck a little earlier in the year. At that point I was changing in her mind from a salesman to an acquaintance. Rarely do people buy from a salesman. They most often only buy from an acquaintance and/or a trusted friend. It is our job, then, to quickly find out who and what we have in com-



GOING AFTER A LISTING IS THE SAME AS

interviewing

FOR ANY TYPE OF PROFESSIONAL JOB.

IT IS MOST CRITICAL THAT WE ARE
super-prepared...

mon... get off the sales pitch and get into developing a relationship based on commonalities. Once someone trusts us in other areas, the ability to team up on a job to sell something of theirs comes more naturally.

At this point, I asked a direct question and that was... "Were you referred to me by Ray and Rose?"

She said that she could not remember where she most recently heard my name, but had seen a sign down the street with my name on it, had heard of me over the years and was quite familiar with my name and our company.

I began to ask her what her talent was and she responded "hair dresser"... so I said, "Then why am I not getting my hair cut by you?"

That allowed me to chat about LOYALTY and how much I appreciated her remembering and calling me and reassured her that, working together, I could get her top dollar in a relatively quick time frame. Notice here that my lines are all scripted, and this is a critical element to any interview. Whether in-person or over the telephone, I have the same script memorized and it is a critical element to earning the listing!

Just like an actor has their lines memorized, we too must have all of our lines memorized and be able to speak them without hesitation. Mistakes happen when we are not practiced and questions are tossed at us for which our responses are not quick and concise. One of best sales tips I can offer to all my friends, is to always practice your lines... your responses to questions... and be able to recite positive, solid answers without hesitation.

I usually then follow up my answer with the query "any other questions?" This allows the customer to accept my answer and move on without deliberating for any length of time. I am here to earn the job, so I must answer the questions, but I want to get the customer to move forward in their decision-making process without floundering and not making a decision to hire me. I must get them on board NOW!

One of the last elements of a successful interview for any position is to make sure you ask for the business. Being a top producer, showing up on time, have a nice car and all the toys (iPhone, laptop, etc.) is just part of the package. Looking the customer in the eyes and allowing them to know and feel your interest and desire to have their business is just as, and often more, important. In my 23+ year career, I have watched new agents take business away from a seasoned vet by being hungrier, more anxious to get the work, letting the customer know they were interested and asking for the listing. Sometimes us veterans do an awesome job preparing (homework), then during the listing presentation, forget the human element of looking the customer in the eye, reaching out our hand to them and asking to shake to seal the deal, and saying the following: *"I would really like to earn your business and market this property...and I know working together, I can get your top dollar quickly."*

Notice that my focus is on earning them top dollar and doing it quickly. These are the two most important elements that a seller wants to hear/know about.

Here are a few additional tips to follow when "job hunting:"

- 1 Study the local market and analyze your competition in advance.
- 2 Drive by the property, take a few pictures and use them in your live presentation.
- 3 Always arrive on time to the presentation and make sure the customer knows that you were on time; this shows that you respect their time as much as you respect yours.
- 4 Dress for success, as you never get a second chance to make a good, first impression.
- 5 Determine ASAP who the decision maker is... could be absentee owners in addition to the ones you with whom you are meeting. Make sure you get to speak directly to these owners as well. They cannot approve of you without your reaching out to them
- 6 Determine the reason/desire to sell and gear your presentation to these factors.
- 7 Adapt your presentation to the owner's reaction (slower or faster).
- 8 Actively listen to owners and respond directly to all their questions.
- 9 Demonstrate your value so that there is no question about your professional fee.
- 10 Ask for the listing (business) **MAR**



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Appraisers Must Understand MICHIGAN'S APPRAISAL LICENSE LAWS

BY MICHEAL R. LOHMEIER, FASA, MAI, SRA, MMAO(4)

Every Michigan real estate appraiser licensee is presumed to understand all applicable state laws relative to Michigan's appraisal license responsibilities. The state even requires appraisers to attend regular Michigan appraisal license law seminars as part of its continuing education efforts.

The following articles address a few of those areas about which Michigan appraisers should be knowledgeable.

WEBSITE FOR REAL ESTATE APPRAISERS

Real estate appraisal licensure is administered by the Department of Licensing and Regulatory Affairs (LARA). This is one of the agencies created to "protect the health, safety and welfare of the public and support business growth."¹ Within LARA there is a division titled Corporations, Securities & Commercial Licensing (formerly Bureau of Commercial Services).

On its Licensing Division site, you can find a link for *Regulated/Licensed Professions* which lists all the professions, including *Appraisers, Real Estate*. This link will take you to the Real Estate Appraiser licensing division and provides valuable resources of which Michigan real estate appraisers need to be aware. This can be found at http://www.michigan.gov/lara/0,4601,7-154-35299_61343_35414_60647_35474--,00.html. On the right side of the

webpage are two links, both of which all Michigan real estate appraisers should maintain copies; Articles 1-6 and Article 26 of the Occupation Code.

ARTICLES 1-6

These articles provide the

- Introduction to Michigan's Occupational Code
- Terms and definitions that apply to all Michigan licensed professionals
- Rules, activities, and responsibilities of the department of licensing and general license requirements
- General rules, responsibilities and compensation of boards that oversee license activities
- Requirements relating to fees in connection to licensing professionals
- Complaint process
- Prohibitions of conduct in practicing a regulated profession without proper licensure

ARTICLE 26 – REAL ESTATE APPRAISERS

Article 26 provides the responsibilities of Michigan real estate appraisers within various sections and includes, but is not limited to:

- Relevant definitions for occupation
- Board of real estate appraisers, creation, and qualifications of members

- Requirement of the Uniform Standards of Professional Appraisal Practice (USPAP)
- Prohibited representations and authorizations for performing appraisals
- Appraisal requirements
- Licensure for the four categories of Michigan real estate appraisal licenses
- Requirements for regulating educational courses, courses and compliance with Appraiser Qualifications Board (AQB) criteria
- AQB endorsed uniform real property appraiser examination, equivalent and validity of scores
- Licensing without examination.
- Nonresident licensing, service of process, and temporary permit
- Continuing education requirements
- Duties of licensees
- Prohibited conduct and penalties
- Sanctions taken by another state
- List of licensees, remittance of fee

Like the USPAP, or any other treatise upon which appraisers rely, the Michigan appraiser needs to maintain copies of these laws for the life of any workfile that it references. Because, like USPAP, these laws may change over time.

The following are areas that tend to stimulate greatest discussion.



DEFINITIONS

The following definitions are excerpts, not an all-inclusive listing of the definitions found in Article 26.

- **Appraisal** means an opinion, conclusion, or analysis relating to the value of real property, but does not include any of the following:
 - I. *A market analysis performed by a person licensed under article 25 solely for the purpose of assisting a customer or potential customer in determining the potential sale, purchase, or listing price of real property or the rental rate of real property as long as a fee or any other valuable consideration is not charged for that analysis.*
 - II. *A market analysis of real property for a fee performed by a broker or associate broker licensed under article 25 which does not involve a federally related transaction if the market analysis is put in writing and states in boldface print “This is a market analysis, not an appraisal and was prepared by a licensed real estate broker or associate broker, not a licensed appraiser.” Failure to do so results in the individual being subject to the penalties set forth in article 6.*
 - III. *An assessment of the value of real property performed on behalf of a local unit of government authorized to impose property taxes when performed by an assessor certified under section 10d of the general property tax act, 1893 PA 206, MCL 211.10d, or an individual employed in an assessing capacity.*
- **Appraiser** means an individual engaged in or offering to engage in the development and communication of an appraisal.

There are four license categories in Michigan:

- Limited real estate appraiser
- State licensed real estate appraiser
- Certified residential real estate appraiser
- Certified general real estate appraiser

PROHIBITED REPRESENTATIONS

A person shall not act or offer to act as an appraiser unless licensed under Article 26 or exempt from licensure under Article 26.

APPRAISAL REQUIREMENTS

Appraisals shall be in writing and

- Disclose any limitations on the type of analysis, valuation or opinion.

- Be independently and impartially prepared and conform to USPAP and any other standards adopted by the director
- Include an opinion of defined value of adequately described real property as of a specific date and be supported by the presentation and analysis of relevant market data
- Indicate on every appraisal report the license number and level of licensure of the appraiser

CONTINUING EDUCATION

Minimum continuing education requirements are dictated by the Appraiser Qualifications Board (AQB) and require 28 hours of continuing education hours per cycle. Each recertification cycle requires the AQB’s 7-hour USPAP Update seminar. Michigan also requires its licensees to take a minimum two hours of continuing education relating to its license laws.

DUTIES OF LICENSEE

The appraiser shall do all of the following, per Section 339.2633:

- Include, in any appraisal or report provided to a client, the following statement: “Appraisers are required to be licensed and are regulated by the Michigan Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, Michigan 48909”
- Maintain an actual place of business whose address shall be used as the licensee address and in all advertising
- Maintain a system of books and records open to the department upon request during normal business hours. The books and records shall be maintained in accordance with the uniform standards of professional appraisal practice, the requirements of this article, and any requirements imposed by rules promulgated under this article. The books and records shall show all appraisals undertaken by name of client and the address or description of the property appraised. In addition, applicants for licensure as a state licensed real estate appraiser, a certified residential real estate appraiser, or a certified general real estate appraiser must also provide an appraisal log that includes, at a minimum, the documentation or data required to be kept under the AQB criteria.
- Advertise only the services authorized to be rendered according to the type of license issued and only in the name and address under which the individual is licensed. The licensee

This story is brought to you by MiCREA

The Michigan Council of Real Estate Appraisers was created in 2004 with one purpose: to serve Michigan’s REALTOR®-appraisers through advocacy, benefits, data resources, and educational offerings. The Council, steered by a committee of fifteen appraisers representing more than 2800 members, is Michigan’s strongest voice for the rights and needs of appraisers in the state. The services and value MiCREA provides to its members complement in numerous ways the services provided to members by their local associations and appraisal organizations. For more information on MiCREA, visit www.mirealtors.com/content/AppraiserResources.htm.



shall indicate on every appraisal report the license number and level of licensure.

Some other information that Michigan appraisers will find useful on the Real Estate Appraiser website include:

- Board meeting members by name
- Board meeting information, dates, and minutes of prior meetings
- Appraiser exam information and licensing requirements and fees
- Information pertaining to Appraisal Management Companies licensing, effective April 1, 2014
- Disciplinary action reports
- Real estate appraiser continuing education (CE) requirements, and a list of those completed by each appraiser

Take a few minutes and review the laws that affect Michigan real estate appraisers as well as the resource of information available on Michigan’s Real Estate Appraiser licensing website. **MAR**



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1 Website, Department of Licensing and Regulatory Affairs.

EMDs: It Never Stops

For many years, approximately 25% of the calls made to the MAR Legal Hotline (“Hotline”) involved some dispute or issue about earnest money deposits (“EMDs”). While the percentage of calls to the Hotline regarding EMDs dropped during the height of the foreclosure and short sale frenzy, the percentage of calls regarding EMDs is again on the rise. Thus, a short refresher on handling EMDs when a transaction craters seems to be in order.

In order to understand where we are today on EMDs, it helps to understand how we got here. During the 1990s, both MAR and the then Department of Commerce (“Department”) advised REALTORS® in the case of dispute over an EMD in a failed transaction, the REALTOR® holding the EMD should not make the decision as to which party was entitled to the EMD, but instead should either hold the EMD until the dispute was resolved or interplead the EMD into a court. The theory was that a REALTOR® holds an EMD in trust for both the buyer and seller and cannot make the decision to deliver it to one party over the claims of the other party. Unfortunately, years ago a REALTOR® who followed this advice was sued by a buyer under the provisions of the Michigan Consumer Protection Act (“MCPA”) for allegedly wrongfully withholding the EMD. A judge determined that neither the Department’s position nor MAR’s advice to hold the EMD in case of a dispute had any legal consequence. The jury then found the REALTOR® guilty of violating the MCPA. The buyer was awarded only a few hundred dollars damages but attorney’s fees in excess of \$20,000. This case led to an avalanche of lawsuits against REALTORS® under the MCPA for the alleged wrongful withholding of an EMD during a dispute between a seller and a buyer.

In response, MAR undertook two courses of action to eliminate what was then a very real threat against REALTORS®. First, MAR, through its Legal Action Committee and its Board of Directors, committed significant resources to obtain a decision from the Michigan Supreme Court that REALTORS® were exempt from the MCPA. Ultimately, such a decision was obtained from the Michigan Supreme Court and REALTORS® remain exempt from the MCPA to this day.

Second, MAR sought to have the rules governing EMDs modified so that no judge could find that a REALTOR® had done anything

wrong by holding an EMD when a seller and buyer were in a dispute over who was entitled to the EMD. This resulted in an amendment to Rule 313(6), which now provides as follows:

... any deposit in the trust account of the broker for which the buyer and seller have made claim shall remain in the broker’s trust account until a civil action has determined to whom the deposit must be paid, or until the buyer and seller have agreed in writing, to the disposition of the deposit. The broker may also commence a civil action to interplead the deposit with the proper court (the “Rule”).

Insofar as we know, since the adoption of the Rule, there have been no further lawsuits against REALTORS® who have held EMDs when both the seller and buyer claimed the EMD. Presumably, there have been no lawsuits because the Rule does not permit a REALTOR® to release an EMD when there is such a dispute.

The language in the Rule that permits a REALTOR® to release an EMD when “. . . the buyer and seller have agreed, in writing, to the disposition of the deposit” has resulted in a misunderstanding of the Rule by some REALTORS®. It has been recommended by me on many occasions that as a best practice and risk reduction strategy, a REALTOR® should obtain a written release from both the seller and buyer every time a transaction fails and the EMD is to be returned to the buyer or, alternatively, delivered to the seller. Obtaining a written release from the seller and the buyer, even in friendly situations, eliminates potential future claim from the buyer or seller who has forgotten that they made no claim to the EMD. However, REALTORS® must distinguish between what is a good risk reduction practice, *i.e.*, obtaining a written release, and what is required under the Rule.

As quoted above, the Rule requires a REALTOR® to hold an EMD only when both the seller and buyer both claim the EMD. In other words, the Rule only prohibits the REALTOR® from releasing the deposit when there is a dispute over who is entitled to receive the EMD. Based on the calls received over the Hotline, there appears to be a fairly common scenario involving undisputed EMDs. In this scenario, the transaction has failed based on the inability of the buyer to satisfy a contingency in the purchase agreement. The seller makes no claim to the EMD. However, for whatever reason, the seller wants nothing more to do with the buyer and refuses to sign a written release. Alternatively, the buyer simply demands



the EMD and refuses to sign the written release. In this situation, the REALTOR® holding the EMD is not protected by the Rule. The seller has made no claim to the EMD, *i.e.*, there is no dispute. The Rule does not authorize a REALTOR® to withhold delivery of the EMD because one or more of the parties refuses to sign the written release. If a seller refuses to sign a written release, it is generally recommended that the REALTOR® holding the EMD send a communication to the listing agent or to the seller indicating that it is the REALTOR®'s understanding that the seller does not claim the EMD, and that if no claim is made writing within a specified period of time, *e.g.*, seven (7) days, the REALTOR® will release the EMD to the buyer. This practice is not as foolproof as obtaining a written release from the seller and buyer, but a REALTOR® simply cannot continue to hold an EMD indefinitely if only one party is claiming the EMD.

As an aside, the fact that there is a dispute over the EMDs does not prevent sellers from re-listing their home or buyers from looking for another house. If either party has terminated the transaction, even wrongfully, the transaction is terminated even if one or more

of the parties is unwilling to sign a release.

Finally, many REALTORS® have asked how long they must hold an EMD after both the seller and buyer have claimed it. The answer is that there is no statute of limitations or specified period after which REALTORS® are free to release an EMD. Many REALTORS® end up holding EMDs in their trust accounts in which both the seller and buyer appear to have lost any interest. Frequently, the REALTOR® has not heard from either party for a number of years. The question then becomes what can the REALTOR® do with these apparently abandoned EMDs. What is clear is that REALTORS® cannot claim these abandoned EMDs for themselves. If no claim has been made against the EMD for three years, and if other criteria are met, the EMD escheats to the State of Michigan, *i.e.*, the government gets the money.

Hopefully, REALTORS® who read this article will share its contents with their colleagues to help spread the word. Anything that can be done to reduce the volume of calls to the Hotline so that all REALTORS® can get through in a timely manner will be appreciated. Thank you. **MAR**

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