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CENTRAL MICHIGAN ASSOCIATION OF REALTORS®

Central Dispatch

EVERYDAY ETHICAL DILEMMA SERIES

Dilemma 2: Sending mixed signals

REALTORS pledge themselves to protect and promote the interest of their "client."

The Scenario: You're hosting an open house for your client, a seller. A woman seems very interested in the property and asks many questions about the home, local schools, and proximity to public transportation. She also asks why the sellers would want to move out of such a nice house.

The Risk: Violating loyalty to your client, the seller. Some buyers, particularly first-timers, don't always understand that the listing agent's primary obligation is to the seller, Steele says. If you don't tell them, it could lead to undisclosed dual representation.

"It ought to be fairly clear, but unfortunately some agents don't have the confidence to say: "By the way, I represent the seller," she says. "If the buyer gets the wrong signal, there's potential for undisclosed dual agency, which is clearly not a good thing."

What to do: As a listing agent, your responsibility to the prospective buyer is to treat them honestly, but to your client you owe confidentiality, accountability, and loyalty, Steele says.

You can always provide buyers with information that's public knowledge or with copies of the seller's disclosure, which is required in most states. But you should center your conversations on the house and not issues such as the seller's motivation, Steele says. "In an effort to be helpful, agents can sometimes overstep the line", she says. "They don't give clear signals". "There are a myriad of reasons for it," Steele says "Inexperience is one. If you don't want to alienate a buyer, it can be a difficult situation".

Dilemma 3: Ethics in Advertising in next months edition

WEBINARS TRAINING

http://p4help.fnismls.com/webinar_courses.html

REMINDER !!!!

COMING SOON CON-ED CLASS October 6, 2009

Location: Isabella Community Credit Union

Mt. Pleasant. Limited seating



Monthly MLS

Number of Residential Units Sold

In July 09 **112**

Average Selling Price

In July 09 **100,619**

Number of residential unit sold

In July 08 **103**

Average Selling Price

In July 08 **96,326**

You can find the complete housing statistics at:

www.mirealtors.com

LICENSE RENEWAL

Can I renew my license on line?

YES, The Department will send paper renewal applications that contain information about renewing online and will also publish information on the website regarding how to renew online. Appx 60-90 days before licenses expire, check the Department's website for updated information on renewal procedures. We encourage you to use the online renewal process. When you apply for renewal of your license on the Internet, and have met all the renewal requirements, the process will be quicker. Remember that all licenses and pocket cards are mailed to the broker's main office.

Thank you to all who helped with Habitat Day

Beccy Clennan, Bill Lahaie, Darlene Lahie, Diyonn Fahlman, Gretchen Meeker Jessica Jackson, Jim Parsons, Kenneth Lee, Leo Wickert, Mary Flemming, Shelly Dixon, Sue Welling, Alaina Wills, Carrie Smith, Chuck Ames, Debra Townsend, Josh Billings, Julie Rush, Kevin Keating, Leslie Thielen, Lily Angiolini, Phil Kruska, Rob Randal. Not

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Special Thanks To Those Who Donated

Brandon Labelle : Lunch / Bruce & Judy Pape :\$50/Mt. Pleasant Abstract : Drinks / Sue Welling : Snacks/Mary Flemming: Drinks /Corporate Title: Bagels

Register for MAR Convention at this website
<http://www.mirealtors.com/content/convention09.htm>

NEW MEMBBERS

Laser Connections
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Short Sale & The Seller's Credit

Sellers will take as big a hit on their credit by going through foreclosure as giving the lender a deed-in-lieu of foreclosure.

Foreclosure or Deed-in-Lieu of Foreclosure. Both of these solutions affect credit the same. Sellers will take a hit of 200 to 300 points, depending on overall condition of credit. Waiting period to buy another home is approximately 36 months before lender will offer any kind of interest rate that makes sense.

Short Sale. The effect of a short sale on a seller's credit report is identical to that of a foreclosure. The ding on credit will show up as a *pre-foreclosure in redemption status*, which also results in a loss of 200 to 300 points. Notation on consumer's credit profile of "settled for less than owed" precludes the consumer from obtaining an institutional loan for 24months(depending on program).

The bad news is a seller could be subject to a deficiency judgment for the difference between the loan amount and the amount paid. Some states have laws regarding personal guarantees, which could also result in a judgment, if the home owner is personally liable for the loan repayment. The lender has sole discretion whether to pursue a judgment in those instances when the judgment is permitted.

(Tim & Julie Harris, Harris Real Estate University)



Coming Soon!

Real Estate
Blogging &
Social Networking

Nov. 11, 2009

9am-12pm

Just \$39

Plus free Go Pro
with E-Pro session

Upcoming Events and Meetings:

August

- **17th: Golf Committee Meeting 9:00**
- **19th Golf Outing**
- **20th MLS Committee 9:00**
- **20th Nominating Committee 1:15**
- **27th Nominating Committee 1:15**

September

- **1st Finance Committee 9:00**
- **3rd Nominating Committee 1:15**
- **4th Election Committee 9:00**
- **8th BOD meeting 8:00**

WANTED:

**Articles for the
newsletter. Send
them to:**

office@cmiar.com