

AUGUST NEWSLETTER

VOLUME 9, ISSUE 5 AUGUST, 2011

New FTC Rule May Impact Brokerages

The Federal Trade Commission (“FTC”) has recently issued its Mortgage Acts and Practices - Advertising, or “MAP”, rule (“Rule”). The Rule imposes requirements on those that provide information about mortgage credit products to consumers by prohibiting misrepresentations during these communications and also imposing recordkeeping requirements. The Rule will impact real estate professionals that provide this information to consumers, such as giving a consumer a lender’s rate sheet. The Rule takes effect on August 19, 2011.

Background

The FTC published an Advance Notice of Proposed Rulemaking in 2009, and issued a proposed rule relating to unfair or deceptive acts and practices that may occur with regard to mortgage advertising in September 2010. NAR filed a comment letter seeking an exemption for real estate professionals from the Rule—click [here](#) to read NAR’s comment letter.

The Rule is intended to regulate unfair or deceptive practices in the advertising of mortgage products, and covers all entities involved in the process such as mortgage brokers, lenders, and home builders. The Rule will also cover real estate profession-

als when they are providing information about a mortgage credit product to a consumer, as outlined in this article.

Rulemaking authority for the Rule has now transferred to the Consumer Financial Protection Bureau (“CFPB”). Enforcement authority for the Rule rests with the CFPB, FTC, and state attorneys general.

Rule’s Requirements

The Rule prohibits misrepresentations in a commercial communication about any term of a mortgage credit product. A “commercial communication” is broadly defined within the Rule, covering both oral and written statements designed to “create an interest in purchasing goods or services”, which in this case would be a mortgage credit product. A “mortgage credit product” is “any form of credit” that is offered to a consumer and secured by the consumer’s dwelling. The Rule’s coverage will include information about all mortgage terms and the Rule contains an extensive list of possible mortgage terms, including interest rates, products sold in conjunction with a mortgage such as credit insurance, amount of taxes, variability of interest rates, and prepayment penalties.

Application of Rule to Real Estate Professionals

The Rule will apply when a real estate professional provides information about a spe-



*Teresa Welch
2011 President*

cific mortgage product to a consumer. An example would be providing a consumer with rate sheets containing the current interest rate from a lender or providing a consumer with applications or other information for a specific mortgage product. All statements about the terms of a mortgage will be covered by the Rule, and will need to be retained for two years. In addition, the statements should have the disclaimer language discussed in this article in order to protect against later misrepresentation claims.

The FTC has stated in its comments that the Rule does not apply to purely informational communications not designed to cause the purchase of a good or service because these are not commercial communications. So, providing a consumer general information about market rates for different types

(Continued on Page 8)

SPECIAL POINTS OF INTEREST:

- **PBOR Membership Luncheon**
Wed., August 24, 2011
Perry Country Club
Time: 12:00 Noon
Lunch Provided
FREE TO PBOR MEMBERS
Program: Skip Langley,
Senator Johnny Isakson’s Office
- **“Short Sales & Foreclosure Resource Certification**
Monday, September 26, 2011
Time: 9:00 a.m.—4:30 p.m.
Registration: 8:30 a.m.
6 CE Hrs—MGAR Training Center—3263 Vineville Ave.—Macon, GA
Cost: \$99.00 Pre-Registration
Instructor: Frank Mears
(This course is eligible for a Scholarship funded by the Georgia Association of REALTORS)
- **GAR Annual Convention & Trade Show**—Memphis, TN
September 7th thru 10th

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August/September 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	15	16	17	18 Lead Based Paint Training	19	20
21	22	23	24 PBOR Membership Luncheon—Perry Country Club	25	26 Successfully Selling HUD Homes in Georgia 12 to 1 p.m.—MGAR Training	27
28	29	30	31	Sept. 1	2	3
4	5 Office Closed for Holiday	6	7	8	9	10
GAR Annual Convention & Trade Show—Memphis, TN						
11	12	13	14	15	16	17

August Membership Luncheon

Wednesday, August 24th —12:00 noon—Program: Skip Langley, Senator Johnny Isakson's Office
Perry Country Club—1000 N. Davis Drive—Perry, GA

Lunch Free to all PBOR members!

2011 CONTINUING EDUCATION OPPORTUNITY

"The More You Learn the More You Earn!"

Aug. 18, 2011 – EPA Lead Paint Safety Training for the Real Estate Professionals
Instructor: John Adams
MGAR Training Center
Cost \$35.00
3 hrs. CE – 9:00 a.m.– 12:15 p.m.
8:30 a.m. Registration

Aug. 19, 2011 – EPA/HUD Lead Paint Safety Training Certification Class
Instructor: John Adams
MGAR Training Center
Cost \$295.00
7 hrs. CE – 8:00 a.m.– 5:00 p.m.
7:30 a.m. Registration

Aug. 25th – Orientation
MGAR Training Center— Cost FREE
9:00 a.m. – 12:00 noon
8:30 a.m. Registration

Aug. 25th– Code of Ethics—Cycle 3
(Meets NAR's Mandatory Trng. Req.)
MGAR Training Center— Cost \$25.00
FREE TO MGAR MEMBERS
3 hrs. CE - 1:00 p.m. – 4:15 p.m.

12:30 p.m. Registration

Sept. 26th – Short Sale & Foreclosure Resource Certification
Instructor: Frank Mears
MGAR Training Center
Cost \$99.00—\$125.00 Day of Class
(This course is eligible for the GAR Scholarship)
6 hrs. CE – 9:00 a.m.– 4:30 p.m.
8:30 a.m. Registration

Dec. 2nd – Orientation
MGAR Training Center— Cost FREE
9:00 a.m. – 12:00 noon
8:30 a.m. Registration

Dec. 2nd – Code of Ethics—Cycle 3
(Meets NAR's Mandatory Trng. Req.)
MGAR Training Center— Cost \$25.00
FREE TO PBOR MEMBERS
3 hrs. CE - 1:00 p.m. – 4:15 p.m.
12:30 p.m. Registration

If you would like further information or to register for any of the above courses please contact Sandy or Arline at (478) 477-8116.



Independent Study Courses – On-Line

3, 6 & 9 Hour Continuing Education Courses as well as Sales Pre-License/Post License & Broker's Pre -

License at

www.mgar.org or
call Arline at
(478) 477-8116.

Middle Georgia Assoc. of REALTORS®

Presents

Code of Ethics: Our Promise of Professionalism—Cycle 3

After completion of this course, students will have a better understanding of due process and code enforcement.

Students will also understand how to handle complaints. This course includes several case studies in ethics.

(THIS COURSE MEETS THE NAR 3-HOUR MANDATORY ETHICS RENEWAL REQUIREMENT)

(Course Code: 59499)

Registration: 12:30 p.m

Time: 1:00 p.m. – 4:15 p.m.

Date: Thursday, August 25, 2011

For 3 Hours of Continuing Education

Location: MGAR Training Center

3263 Vineville Avenue — Macon, GA

Mail or fax this portion to reserve your place

FREE TO MGAR MEMBERS

\$25.00 for non-members

Make checks payable to: MGAR – No cancellations after August 22, 2011

Name: _____

License Number: _____

Company Name: _____

Company Address: _____

Phone: _____ Fax: _____

Board: _____

Mail or fax to:

Middle Georgia Assoc. of REALTORS®

3263 Vineville Avenue

Macon, GA 31204

(478) 471-7336 Phone

(478) 471-0344 Fax

IF YOU HAVE TAKEN THIS COURSE IN THE LAST 366 DAYS YOU WILL NOT RECEIVE CE CREDIT

REGISTER ONLINE AT WWW.MGAR.ORG UNDER THE PRODUCTS LINK ON OUR HOMEPAGE



AUGUST LUNCH & LEARN TRAINING

PROGRAM:

“SUCCESSFULLY SELLING HUD HOMES IN GEORGIA”

PRESENTED BY: TAYLOR THANOS & HERBERT WYNN

NOTE: AS OF 8/1/2011 PEMCO NOW REQUIRES ORIGINAL CONTRACT, ONE (1) COPY OF THE CONTRACT, EARNEST MONEY CHECK, ONE (1) COPY OF THE EM CHECK IN ALL CONTRACT PACKAGES!

FRIDAY, AUGUST 26TH—12:00 A.M TO 1:00 P.M.

MGAR TRAINING CENTER

FREE—BRING YOUR OWN LUNCH—DRINKS PROVIDED

RSVP TO ARLINE AT ALAYSON@MGAR.ORG OR 477-8116



Did You Know the Georgia Real Estate Commission Offers FREE Online Continuing Education Courses

The Broker of the firm carries the responsibility for the licensed firm. The Commission introduced a new online course in October written to assist the Broker in managing those responsibilities. The online course titled, “Being a Broker and Staying Out of Trouble” is for Brokers and all other licensees. Every licensee can benefit from the ideas, including those for contract review an advertising review checklist and ideas for preparing for a trust account office examination. These tools are not only part of the course, but those are also available from the Georgia Real Estate Commission School web page Resource Section at www.jmre.com/grec. The 2 GREC online courses are PC and MAC compatible and require an internet connection with either Foxfire or Internet Explorer as the browser. To enroll go to www.jmre.com/grec.

Don't Forget to Take Advantage of Your FREE Education!



One of your member benefits is FREE CE CLASSES. Your Board is offering each member the chance to take 6 hours of continuing education each year at no additional charge. Just think, you never have to pay for CE hours again! You're in luck! Your Education Committee has several more classes scheduled for 2011 – so get the hours you need at the best cost around...FREE!

With today's rapidly changing market, your Education Committee also instituted a series of free “Lunch & Learns” to keep your business up to date. From mortgage lenders to tax advice - Keep yourself at the forefront of the market! Stay tuned to upcoming offerings.

Your Education Committee is committed to bringing you a balanced set of courses each year – so far there has been something for everyone! Residential, Commercial, Land, Property Management – let us know if there is a need we haven't covered. And don't forget, keep checking your Education Calendar!



GEORGIA DRUG CARD

As a resident of Georgia, you and your family have access to a statewide Prescription Assistance Program (PAP). The new prescription assistance program called the Georgia Drug Card is free to all Georgia residents. The Georgia Drug Card can be used for a savings of up to 75 percent on prescription drugs at most retail pharmacies. Benefits include no applications to complete, no membership restrictions, no income requirements, and no age limitations. Cards are available at the Board office.

For more information on the drug card please visit georgiadrugcard.com.



SHORT SALES AND FORECLOSURE RESOURCE CERTIFICATION



September 26, 2011

**Middle Georgia Association of REALTORS®
3263 Vineville Avenue, Macon GA 31204
Phone: (478) 471-7336 Fax: (478) 471-0344
Instructor: Frank Mears**

What are the benefits of the SFR certification?

- Education in classroom and online formats that fit your schedule and wallet
- Access to an electronic toolkit with practical forms and worksheets
- Free Webinars that you can download anytime and anywhere
- SFR logo and marketing materials to promote your certification
- Differentiation as an SFR at www.realtor.com and www.realtor.org
- Access to an exclusive online networking environment to share ideas and resources with fellow SFR certificate holders.

SFR Class is approved for 6 Hours Georgia Continuing Education Credit

This course is eligible for a Scholarship funded by the Georgia Association of REALTORS®. To obtain further information and application call GAR at 770-451-1831 or log on to www.garealtor.com

2011 - \$99 SFR Class- (\$125 day of class) Reduced in 2011 from \$125-

ARE FROM 9:00 AM - 4:30 PM No refunds once registered-No transfers Please write name exactly as it appears on R. E. license.

YOUR NAME _____ R.E. LICENSE # _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

WORK PHONE _____ HOME PHONE _____

E-MAIL _____

CHECK # _____ CASH _____ AMOUNT OF PAYMENT _____

SIGNATURE _____ DATE _____

No registration is accepted without payment. Enrollment form can be faxed: (478) 471-0344 with full payment mailed to (prior to start of class) Make Check payable to MGAR

Register online at www.mgar.org

Phone: (478) 471-7336



Fax: (478) 471-0344

E-Mail: Info@mgar.org

OUR AFFILIATE MEMBERS

Remember: When you see any of our affiliate members please thank them for their support. Remember when you need any of the services our Affiliates offer, think of them first. Let them know who much we appreciate them!!



America Home Key Mortgage

Debbie Jernigan
208 Smithville Church Road
Warner Robins, GA 31088
(478) 328-6660

Bank of Perry

Kelly Hillis
P.O. Box 830
Perry, GA 31069-830
(478) 987-2554

Georgia MLS

John Ryan
1414 Montreal Road
Tucker, GA 30084
(770) 493-9000

The Real Estate Book

Leslie Huggins
P.O. Box 328
Perry, GA 31069
(478) 954-3774

The Telegraph

Lora Lee Nichols
P.O. Box 4167
Macon, GA 31208
(478) 744-4355

GAR VOLUNTEERS NEEDED!

Volunteer to serve on a committee and become an active part of your state association! Review the committees at <http://www.garealtor.com/MemberCenter/Committees/CommitteeApplication.aspx> and make your three selections in order of preference. Should you need further information regarding a committee, visit the Committee Criteria page on the GAR website at www.garealtor.com.

Committee appointments will be made in October by your President-Elect Bill Boatman with assistance from the nominee for the 2012 President-Elect. You will be notified of your placement on a committee by the email address in your NRDS record. Please submit the committee application no later than August 31, 2011

If appointed to a committee, you commit to (1) serve a 2-year term unless otherwise noted and (2) attend the GAR Inaugural Meeting and the Annual Convention and Trade Expo. For more information on these future meetings, visit www.garealtor.com*

- To serve on the Grievance Committee, 2 years of local Grievance committee experience are required
- The Partnership Committee is a 1-year term
- To serve on the Professional Standards Committee, 4 years of local Professional Standards committee experience are required

GRI Governor Applications Being Sought

Have you obtained your GRI but still want to be a part of this dynamic continuing education program? Apply to become a GRI Governor! Every region has the opportunity to add at least one Governor to the Board of Governors except Region 4. Region 4 (metro Atlanta) has reached the maximum of three Governors.

If you are a GRI graduate who would like to become a member of the GRI Board of Governors, please complete the application at <http://www.georgiagri.com/GRIGovernorApplication.aspx>. Governor applications due to aasher@garealtor.com by **October 3, 2011**.

SEIZE THE DAY

Take your business to a new level

REALTORS® Conference & Expo

ANAHEIM, CA NOVEMBER 11 - 14, 2011

If energizing your real estate business is your goal...

- Take charge at the 2011 REALTORS® Conference & Expo in sunny southern California, just minutes from Los Angeles
- Train with the best at the premiere real estate event in the U.S.—get sales tips for success from industry experts
- Join 18,000 professionals for four intensive days of networking, education, motivation, and fun this November
- Explore the largest trade show floor in real estate, where 400 exhibitors will excite and inspire you
- Refocus your mind with 100 education sessions during the day—and let loose at night with events like the Celebrity Concert starring Diana Ross

Stay in Anaheim and Stay on Budget

With hotels starting at \$89 per night, a convenient location near four major airports, and special travel discounts for REALTORS®, Anaheim is an affordable destination for the 2011 REALTORS® Conference & Expo.

Sign up today at www.REALTOR.org/Conference

Register before August 15 to take advantage of early bird savings



Connect with us and thousands of REALTORS® who will be in Anaheim at:

twitter.com/naranual



facebook.com/naranual



NATIONAL ASSOCIATION of REALTORS®



November 11-14, 2011 • ANAHEIM



REALTOR®

PERRY BOARD OF REALTORS®

Make checks payable to:
Perry Board of Realtors®

3263 Vineville Avenue
Macon, Georgia 31204
Phone: (478) 477-8116

SANDRA L. DAVIS (SANDY)
ASSOCIATION EXECUTIVE

ARLINE LAYSON
AE ASSISTANT

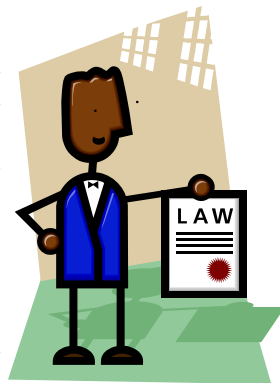
WE'RE REALTORS®.
REAL ESTATE IS OUR LIFE.™

New FTC Rule May Impact Brokerages (Continued)

of mortgages products will likely not be subject to the Rule because these are not related to a specific mortgage product. However, providing a consumer with the daily rates from a specific lender would trigger compliance with the rule. Similarly, going through the prequalification process with a consumer in order to determine the range of properties that a consumer may be eligible to purchase won't require compliance with the Rule; however, providing a consumer with the documentation needed to apply for a preapproval from a lender for a mortgage loan will be covered by the Rule.

Disclaimer or Qualifying Statement

In the preamble to the final Rule, the FTC notes that a disclaimer provided with a covered statement "may correct a misleading impression, but only if it is sufficiently clear



and prominent to convey the qualifying information effectively". Therefore, real estate professionals should always include a disclaimer when providing information to consumers about the terms of a mortgage credit product, as a properly crafted disclaimer can protect against later misrepresentation claims.

The disclaimer will need to be prominent, as the FTC notes in its comments that disclaimers in small type placed at the bottom of a document will not protect against misrepresentation claims. The disclaimer text should be separated from the other text in the covered statement, as language buried within the text may not be effective to protect against misrepresentation claims.

Note that the disclaimer should be tailored to the type of information that you are pro-

viding to a client. If you are providing other services beyond transmitting basic mortgage information, you will need to tailor your disclaimer to cover those services.

Recordkeeping Requirements

If a real estate professional is subject to the Rule, the real estate professional is required to keep all covered commercial communications for 2 years from the date that the communication was made to the consumer. In order to comply with this section, the real estate professional should put all covered statements into writing and include the statements in each consumer's file (paper or electronic) with the brokerage. This record retention system should become part of the brokerage's overall record retention program.

Letter of the Law
National Association of REALTORS®