



## MESSAGE FROM R.E. INFOLINK INTERIM CEO

I am writing you just in advance of our annual shareholders meeting, which will be held at the end of this month. This year's meeting is likely to be particularly significant as there is much promising news to report and many important decisions to be made concerning the future growth and direction of RE InfoLink.

As many of you may already know, our Board of Directors is currently engaged in a search for a permanent CEO. When I signed on as Interim CEO last December, the position was understood to be part of a concerted effort to refocus and reinvigorate the company. Looking back on my role thus far with RE InfoLink, I am very proud of what our team has achieved in the past six months and very hopeful concerning what the future may hold. Indeed, our accomplishments to date have been made more meaningful by the marked increase in positive feedback we have received from you. Response to the reintroduction of REILweb has been overwhelmingly favorable. Internally, company spirit and the desire to further enhance our services are high.

Bringing REILweb back was the result of your input. It is important to recognize that our recent attention to improving communications with subscribers has not

been a temporary tactic to ease us through our technology stabilization phase; rather it establishes a new standard practice for RE InfoLink. Subscriber communications is key among our directives in moving the company forward.

Your REALTOR® Association leaders have distributed a link to an online survey we're conducting. We encourage every one of you to participate in the survey and take full advantage of this opportunity to have your voice heard. In addition to measuring your attitudes toward our current offerings, the survey seeks your views in considering future products and potential enhancements. Your voice is the driving force behind our strategic course and that is why we want to continue to hear from you. If you have not received the link to the survey, you may access it at [www.reil.com](http://www.reil.com).

At the shareholders meeting, we will formally announce that our technology stabilization phase has been successfully completed. Initiatives to improve leadership, customer focus and communications have been undertaken and accomplished. In addition, internal processes have been put into place that encourage effective troubleshooting, and a culture of responsiveness and

accountability. Areas that still need our attention are governance and our ability to stay ahead of industry trends. Both of these issues will be examined in greater detail at our shareholders' meeting. Thus it is with a renewed clarity of purpose that we progress into the strategic phase of our development.

Looking to the next generation of RE InfoLink products and services, we are cognizant of the many changes and trends within the real estate industry itself. We understand that in order to remain competitive we must be highly attuned to your needs, which is why we will continually strive to improve in areas that are most relevant to you and the daily management of your business. We welcome your support in continuing a dynamic exchange of ideas aimed at further strengthening our ability to serve you.

Sincerely,

Richard S. Gourley  
Interim CEO



S.C.A.O.R. NEWS .....	1-2
LEGISLATIVE WATCH .....	W1-W4
N.A.R. NEWS- .....	4-5
C.A.R. NEWS .....	6

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## AFFILIATE NEWS

**Prepared by: Scott Pine, Vice Chair of the  
Affiliate Committee**

What is an AFFILIATE MEMBER of SCAOR?  
What are the Benefits? This article marks  
the introduction of AFFILIATE NEWS column.  
Inclusion of Affiliate information and  
activities in the SCAOR newsletter will  
provide a better understanding of the role  
all Affiliates play in supporting real estate  
activities in our community.

Following is my best effort to define an  
AFFILIATE as described in SCAOR  
definitions, meanwhile offering a more  
general description. AFFILIATE members are  
individuals and organizations who are not  
qualified for REALTOR® membership, but  
engaged in real estate related activities.  
These roles can vary from full-time  
companies like Title Companies and  
Mortgage Companies to individuals and  
organizations that have real estate related  
business such as attorneys and accountants.

Categories of AFFILIATE members include:

- Accountants
- Advertising firms
- Attorneys
- Apartment Associations
- Appraisers
- Construction Companies
- Educational Companies
- Title Companies
- Exchange Services
- Universities
- Home Inspection companies
- Home Warranty companies
- Insurance companies
- Lenders
- Pest Control Services
- Property Management firms
- Publications
- Sign Companies
- Government agencies

AFFILIATE membership has many  
benefits including being part of an  
organization dedicated to building  
professional real estate relationships with  
clients and business partners. Most  
importantly, your participation provides  
an opportunity to contribute to the  
success SCAOR and the real estate  
community at large. Other benefits  
include:

- Ability to participate on Association  
Committees i.e. AFFILIATE, Education  
etc.
- Opportunity to serve on Association  
task forces including Installation  
Dinner, Golf Tournament etc.
- Advertising in the Association  
Newsletter "Inside Real Estate"
- Use of Affiliate logo and pin
- Firm listing in membership roster
- Library services (books, video and  
audio tapes)
- Mailing labels

## NEW REALTOR® MEMBERS

### AMERICAN DREAM REALTY

Stephanie Jadricek

### CAL COAST REALTY AND LENDING

Kenneth Hinchman

### CJ INVESTMENT SERVICES, INC.

Conti Leung (former member)  
Carole Nirady (former member)  
Robert Wilson

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## **HUD ISSUES RADON GAS AND MOLD RELEASE**

A new HUD notice requires that all sales contracts for FHA single-family repossessed properties include an informational release form about the potential health problems associated with radon gas and some molds. The Radon Gas and Mold Notice Release Agreement mitigates potential liability by ensuring that purchasers have received cautionary information. NAR has been working

with HUD on the rule for more than a year. Effective date: June 28. Access a PDF of the agreement form at: [http://www.hudclips.org/sub\\_nonhud/cgi/pdfforms/9548-e.doc](http://www.hudclips.org/sub_nonhud/cgi/pdfforms/9548-e.doc). For more info, CONTACT: Peter Morgan, [pmorgan@realtors.org](mailto:pmorgan@realtors.org), 202/383-1233.

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## **PATRIOT ACT RULES SPUR NEW TRANSACTION PROCESSES, FEES**

Since the American Land Title Association has suggested that its member title companies implement a Customer Identification Program and compare home purchasers' personal information against the Department of Treasury's Specially Designated Nationals and Blocked Persons List, the practice has grown and typically includes new fees. Although persons involved in real estate settlements and closings are not considered financial institutions for Patriot Act purposes and are not required to

implement a CIP, title companies generally err on the side of caution and run the ID checks. Financial institutions such as banks, however, must implement a CIP. For more info on how Patriot Act regulations affect real estate transactions, access NAR's guide at: <http://www.realtors.org/fedistrk.nsf/pages/patactfactsh> or CONTACT: Tom Heinemann, [theinemann@realtors.org](mailto:theinemann@realtors.org), 202/383-1090.

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## **NAR EXPECTS RECORD EXISTING HOME SALES IN 2004**

Unexpectedly strong job growth will buffer the impact of higher interest rates and help to push existing-home sales to a record in 2004, says NAR. Existing-home sales are expected to hit a record 6.17 million units in 2004, which would be 1.2 percent higher than last year's 6.10 million record. New-home sales should be

essentially stable, slipping 0.4 percent to 1.08 million this year, just shy of the record 1.09 million in 2003, while housing starts are seen to be fairly even, down 0.3 percent to 1.84 million. For more info, Go To: <http://www.realtor.org/publicaffairsweb.nsf/Pages/JuneOutlook04>

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## **HUD ANNOUNCES FUNDING FOR AMERICAN DREAM DOWNPAYMENT PROGRAM**

More than 400 state and local governments will share \$161.5 million to help thousands of new homebuyers with downpayment and closing costs this year through HUD's American Dream Downpayment Initiative. Low-income, first-time homebuyers will receive an average of \$7,500 each in assistance through the

initiative, which was a major legislative accomplishment for NAR last year. For more info, Go To: <http://www.hud.gov/news/release.cfm?content=pr04-050.cfm> or CONTACT: Peter Morgan, [pmorgan@realtors.org](mailto:pmorgan@realtors.org), 202/383-1233.





# SANTA CRUZ ASSOCIATION OF REALTORS® n.a.r. news

## REPORT CAUTIONS AGAINST MANDATORY FHA HOME INSPECTIONS

Last month, the General Accounting Office released its long-awaited report on whether home inspections should be mandatory for FHA buyers. In the report, GAO says that mandating home inspections would have little added value for the FHA or for buyers. For two years, NAR presented arguments to GAO officials to find against the mandate. The GAO agreed with NAR that the FHA does not have the resources to enforce mandatory home inspections and that adding a home inspection

requirement would make FHA-insured loans less attractive to buyers. The GAO report may deter Congress from moving forward to make inspections mandatory. To access the GAO report, Go To: <http://www.gao.gov/docdb/lite/summary.php?recflag=&accno=A09899&rptno=GAO-04-462>.

For more info, CONTACT: Peter Morgan, [pmorgan@realtors.org](mailto:pmorgan@realtors.org), 202/383-1233.

## NEW PLAN TO FIX DO-NOT-FAX RULES

NAR, a coalition of trade groups, and the House Energy and Commerce Committee have written legislative language to create a statutory "established business relationship" exception in the postponed FCC Do-Not-Fax regulations. The language would establish that an existing business relationship between a fax sender and a fax recipient establishes the permission required

for unsolicited fax advertisements. Currently the proposed rules call for recipients' express written permission. For more info on the background of this issue, visit the issue summary at <http://www.realtor.org/fedistrk.nsf/pages/donotfaxis> or CONTACT: Lynn King, [lking@realtors.org](mailto:lking@realtors.org), 202/383-1156.

## NAR OFFERS NEW EPA GUIDES TO RADON, LEAD

NAR offers two EPA information guides for sale: Consumer's Guide to Radon — How to Fix Your Home (item 141-34) and Protect Your Family from Lead in Your Home (item 141-40). Consumer's Guide to Radon Reduction is designed for those who already have a radon gas problem in their home, providing general information about the hazards of radon gas and reviewing a variety of reduction methods. Protect Your Family from Lead in Your Home educates consumers who own or are

renting structures built before 1978 about the potential hazards of lead-based paint and other sources of lead contamination. Sold in packs of five, these guides are useful as a quick reference for practitioners and are appropriate for current and prospective homeowners and tenants. Quantity discounts apply. Order at <http://www.realtor.org/store> or call 800/874-6500 and select option '1'.



## **CALIFORNIA'S HOUSING AFFORDABILITY INDEX FALLS 7 POINTS IN APRIL;**

### **MINIMUM HOUSEHOLD INCOME NEEDED TO PURCHASE MEDIUM-PRICED HOME TOPS \$100,000 FOR 1<sup>ST</sup> TIME**

The percentage of households in California able to afford a median-priced home stood at 20 percent in April, a 7 percentage-point decrease compared to the same period a year ago when the Index was at 27 percent, according to a report released today by the California Association of REALTORS® (C.A.R.). The April Housing Affordability Index (HAI) declined one point compared to March, when it stood at 21 points.

C.A.R.'s monthly housing affordability index measures the percentage of households that can afford to purchase a median-priced home in California. C.A.R. also reports housing affordability indexes for regions and select counties within the state. The index is the most fundamental measure of housing well-being in the state. The minimum household income needed to purchase a median-

priced home at \$453,590 in California in April was \$102,550, based on a typical 30-year, fixed-rate mortgage at 5.42 percent and assuming a 20 percent downpayment. The minimum household income needed to purchase a median-priced home was up from \$84,510 in April 2003, when the median price of a home was \$364,040 and the prevailing interest rate was 5.72 percent.

The minimum household income needed to purchase a median-priced home at \$176,000 in the U.S. in April 2004 was \$39,790. At 52 percent, the High Desert region was the most affordable C.A.R. region in the state, followed by the Sacramento region at 33 percent. The Monterey region was the least affordable region in the state at 12 percent.

## **C.L.U.E REPORT NOT REQUIRED BY C.A.R. PURCHASE CONTRACT**

C.A.R. has received several inquiries from REALTORS® regarding the disclosure of insurance claims in real estate transactions specified in Paragraph 7B of the C.A.R. "Residential Purchase Agreement." C.A.R.'s purchase agreements include a provision requiring a seller to disclose known material facts and defects affecting the property being sold, including known insurance claims within the past five years. The contract does not require purchase of a third-party report, such as C.L.U.E. Sellers may make these disclosures by using the C.A.R. Standard Form "Supplemental Statutory and Contractual Disclosures" (Form SSD), which allows a seller to disclose his or her awareness of insurance claims via a simple yes/no checkbox format. A seller must disclose only known insurance claims; C.A.R. purchase agreements do not require sellers to discover unknown claims, or to purchase reports or other third-party information to

make this disclosure. Although sellers may choose to provide and pay for a third-party report to provide this optional third-party information to buyers, neither the law nor C.A.R.'s purchase agreement require that they do so.

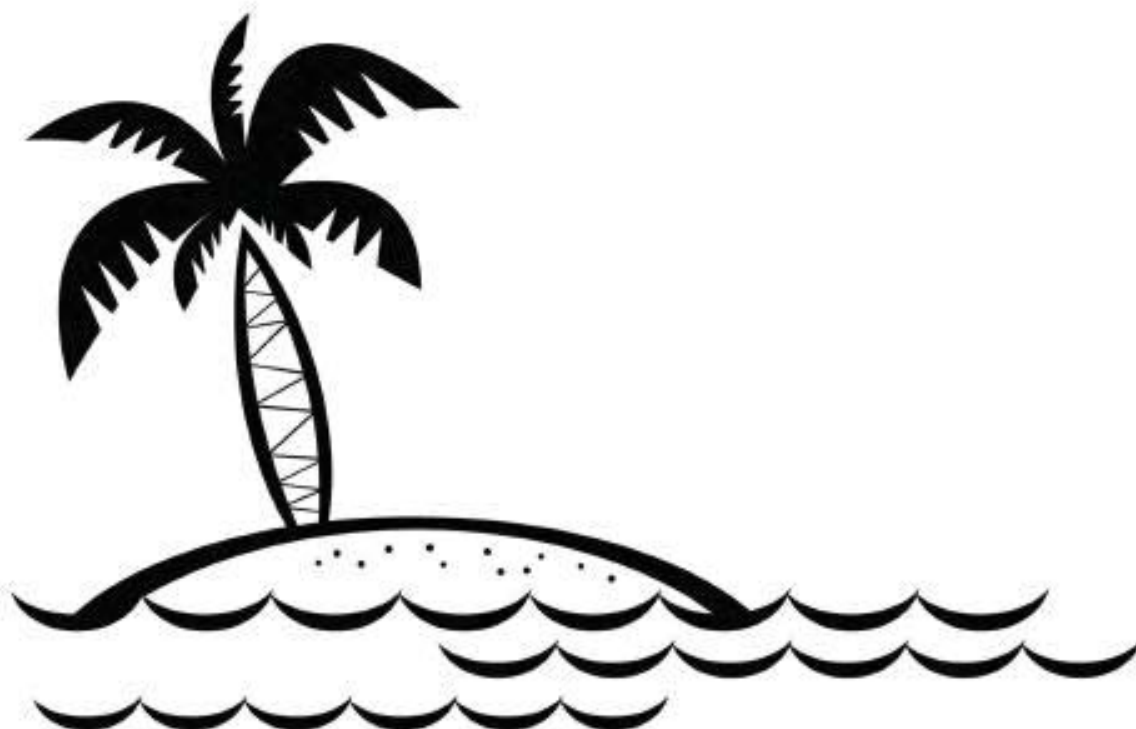
Given the increased difficulty of obtaining affordable homeowners' insurance in recent years, buyers should obtain quotes as early as possible in the home buying process. In the process of obtaining insurance, the insurance agent or underwriter will most likely be checking the insurance database as a matter of course. Buyers should seek insurance quotes during the inspection period so that there will be clear understanding of the cost of the insurance early in the transaction, and so that buyers will have an opportunity to evaluate this fact during the inspection period. For more information, visit: <http://www.car.org/index.php?id=NjEy>

## **C.A.R., NAR WORKING TO RESOLVE PROBLEMS WITH VA APPRAISAL SYSTEM**

At its May meetings in DC, NAR promised to assist C.A.R. in its efforts to resolve problems with the VA appraisal system and VA appraisers. C.A.R. had brought this issue forward to NAR at the urging of its members at this year's January meetings in Rancho Mirage. The C.A.R. Real Estate Finance Committee passed a motion to "encourage NAR to pursue a change in the selection of appraisers from a rotational basis to a choice by the lender from the VA approved list."

The committee saw a need for this change due to complaints of

the current rotational system. Under the current system, an appraiser may be called to appraise a building outside of his normal geographical area simply because it was his turn on the rotation. This has created problems due to some appraisers inexperience and/or lack of knowledge of the neighborhood. REALTORS® who experience difficulty with VA appraisers are encouraged to contact C.A.R. Public Policy Analyst, Matthew Roberts, at [matthewr@car.org](mailto:matthewr@car.org). A detailed description of the incident along with contact information is requested.



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PUBLISHED: July 20th

AD DEADLINE: July 21st

PUBLISHED: August 3rd

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