

## KAR seeking Treasurer-Elect for 2009 & 2010

The KAR Treasurer-Elect position is vacant due to the resignation of 2009 Treasurer Santosh S. Bhatt, effective January 2, 2009. Kevin Farris, 2009 Treasurer-Elect, will succeed to the Treasurer position for the remainder of 2009 and for his term in 2010.

In accordance with the KAR Bylaws, the Treasurer-Elect shall immediately succeed to the office of Treasurer and continue to serve as Treasurer for the subsequent year, 2010. This leaves a vacancy in the office of Treasurer-Elect for the balance of the Treasurer-Elect's term, 2009, and for the subsequent calendar year, 2010. The Treasurer-Elect would then succeed to the office of Treasurer in 2011.

Forms can be found at [www.kar.com](http://www.kar.com) > About KAR > Leadership.

The Bylaws state that the office shall be filled by the Delegate Body at its next regular or special meeting. The Delegate Body will meet February 12 in Frankfort, Kentucky. At that meeting, members of the 2009 Delegate Body will elect a Treasurer-Elect for the balance of 2009 and 2010.


### The following are the qualifications for KAR officers:

- (A) Having been a director for two (2) or more of the previous five (5) calendar years;
- (B) Having been a member of KAR for a minimum of five (5) years immediately preceding election;
- (C) Having a principal office in Kentucky;
- (D) Not concurrently holding the office of president in any Member Board or Association.

### Voting Procedures:

Nomination forms are due to KAR by January 20, 2009. The Elections Task Force will certify candidates for eligibility at their February meeting. During the Board of Directors meeting on February 12, the election report will be given and nominations will be taken from the floor. Voting will take place during the time between the Board of Directors and Delegate Body meeting on February 12. Results will be given by the President at the Delegate Body meeting on February 12.

If you have any questions regarding the election of Treasurer-Elect, please contact Julie Johnson ([jjohnson@kar.com](mailto:jjohnson@kar.com)) or Susie Helm ([susanhelm@kar.com](mailto:susanhelm@kar.com)) at 800-264-2185.



**Legislative and Business Meeting**  
Frankfort, Kentucky  
February 10 - 12  
Capital Plaza Hotel  
[Click Here to Register](#)

After an historic national election, REALTORS® remain focused on revitalizing the housing market. By attending KAR's Legislative & Business Meeting, members have the opportunity to encourage legislators and policymakers to take steps that will continue to benefit the housing market in Kentucky. Your voice in Frankfort can help advance the industry and the Association.

A key component of the Legislative & Business Meeting is legislative advocacy and fighting for the rights of homeowners in Kentucky. KAR strongly encourages REALTORS® from across the state to participate in the efforts to promote the Association's legislative agenda. You can make a difference! Share your housing, community and real estate concerns with members of the Kentucky legislature.

Show your support for issues important to REALTORS® in Kentucky by attending the Legislative & Business Meeting in February.

[Click here to register](#)

## Dealing with potential home buyers

In trying times, customer service becomes more important than ever. The site ActiveRain has a first person account that outlines a few things agents should focus on when dealing with potential home buyers. Here is an abbreviated version of the post:

Over the past couple of weeks I've been helping a friend look around for a new condo here in the Chicago metro market. While he's currently just window shopping and hasn't entered into any serious talks with potential sellers, he's your ideal buyer - especially during this slow housing market. His credit score is over 800, he has about \$65,000 saved for a down payment, and he has a steady, well paying job. With that said, I was shocked by the treatment we had received when we both contacted some listing agents to show us their properties. Don't get me wrong, there were some real estate agents who went above and beyond their call of duty when it came to arranging a time for us to tour their homes and to provide us with as much information as we needed. But there were also a good handful of agents that needed to brush up on their customer service skills.



### Here are 5 things real estate agents shouldn't do when dealing with home buyers:

1. Don't judge a client by their attire.
2. Don't blow off a call.
3. Don't keep rescheduling showings.
4. Don't be dishonest.
5. Don't be rude.

To view details of these 5 things, [click here](#).

## Wachovia's 2009 economic outlook

Wachovia released its outlook on the 2009 economic forecast. The findings revealed:

- The real GDP is set to decline by two percent in 2009
- The dynamics of the credit cycle will frame the pace and nature of the recovery
- Peak-to-trough declines in home prices will exceed anything seen in the post-war period
- Home construction has fallen more than 65 percent since it's 2005 peak

Though the forecast seems cloudy, it is projected to be on the mend by 2010.

[Click here](#) to view the entire report.

## Cost vs. value: curb appeal matters most

Exterior projects return the most money as a percentage of remodeling costs, according to the 2008 Remodeling Cost vs. Value Report.

On a national level, wood deck additions and all types of siding replacements returned more than 80 percent of costs upon resale. Other projects with big returns are window replacements and kitchen remodels.

"Because buyers have so much inventory to choose from today, any home for sale must make a positive first impression," says NAR President Charles McMillan.

This is the 11th consecutive year that the report, which is produced by construction trade publishing company Hanley Wood, was completed in cooperation with REALTOR® Magazine.

To view more statistics including the Top 10 Project Paybacks, [click here](#).

## Treasury alerts REALTORS® to fraud scheme



If a buyer tries to use a "personal promissory note" or "private offset bond" to buy a home, the matter might be an attempt at fraud and you should let the U.S. Treasury Department know, a notice from the Treasury's Office of Inspector General says.

Here's the notice in full, with contact information:

### **SUBJECT: Fraud Alert**

The U.S. Department of Treasury, Office of Inspector General (OIG), is investigating incidences whereby individuals are using fraudulent promissory notes and bonds to attempt to purchase vehicles and real estate. The OIG has been notified of numerous occurrences throughout the United States where fraudulent documents were used to attempt to purchase vehicles. Treasury OIG has also been made aware of incidents in Arizona and Colorado where similar fraudulent documents were used to attempt to purchase homes and an office building.

The fraudulent documents are not referenced as "U.S. Treasury" bonds or promissory notes. They are referenced as "personal promissory note" and "private offset bond;" however, they have the name of Henry Paulson, Secretary, U.S. Treasury, on the face of the documents.

Treasury OIG has learned that the only type of hard-copy bond issued by the U.S. Treasury that a citizen can purchase today is a savings bond. All other bonds are electronic and the buyer would not receive a hard-copy document. Finally, Paulson's name should not appear on any document listed as a private bond or promissory note since these items are not backed or guaranteed by the U.S. Treasury.

If you have any information regarding this type of fraudulent activity, we request that you contact the U.S. Department of Treasury, Office of Inspector General (OIG), Office of Investigations Hotline, at 800/359-3898 or e-mail [Hotline@oig.treas.gov](mailto:Hotline@oig.treas.gov). REALTORS® approached by a person giving these or similar circumstances should consider the potential for fraud. Should you suspect fraudulent activity, it is recommended that you contact the OIG Hotline and your local law enforcement agency immediately.

Additional information regarding this and other similar fraud schemes can be found at the following Department of Treasury Web site by [clicking here](#).

## New year, new FHA mortgage limits

HUD Secretary Steve Preston has announced new limits on the mortgage amount insurable by the Federal Housing Administration beginning January 1, 2009.

Under the 2008 Housing & Economic Recovery Act, limits are set at 115 percent of a market's median house price. They can't be lower than 65 percent or higher than 150 percent of the national conforming limit of \$417,000.

Preston says the limits will ensure FHA can continue to help struggling homeowners refinance and allow many first-time buyers take advantage of today's buyers market.

### **Facts At A Glance**

According to the 2008 NAR Profile of Home Buyers and Sellers, the number of first-time buyers rose to 41 percent from 39 percent of transactions in last year's survey and 36 percent in 2006.

The median age of first-time buyers was 30, down from 31 in 2007, and the median income was \$60,600. The typical first-time buyer purchased a home costing \$165,000 and plans to stay in that home for 10 years, up from seven years in 2007.

## Join KAR on Facebook, LinkedIn and ActiveRain

Join now and become a member of the KAR groups! KAR has added additional sites to its list of social networking outlets.

If you are not currently on these sites, getting started is easy. Just log on to [www.facebook.com](http://www.facebook.com), [www.linkedin.com](http://www.linkedin.com) or [www.activerain.com](http://www.activerain.com) and set up a profile.

Joining is free and once you become a member, you can request to be added to the KAR groups. That's all there is to it.

To locate the KAR groups, use the search feature or go directly to the group:

### Facebook

[www.facebook.com/group.php?gid=9244727021](http://www.facebook.com/group.php?gid=9244727021)

### LinkedIn

[www.linkedin.com/groups?gid=1323837](http://www.linkedin.com/groups?gid=1323837)

### ActiveRain

[activerain.com/groups/kar](http://activerain.com/groups/kar)



## November foreclosures fall in Kentucky

New foreclosure filings in Kentucky declined in November for the second time in three months, RealtyTrac reported Thursday.

The California foreclosure tracking firm said new filings were down 19.1 percent from October and 43.7 percent from November 2007.

Kentucky continued to be ranked 43rd among the states in new filings, the same ranking as in October, when filings were down 35 percent from October 2007.



The state was ranked 38th in September after a 5.7 percent uptick.

RealtyTrac said there were 427 new filings in November in Kentucky, which was equal to one for every 4,422 households in the state.

Nationally, new filings declined 7.3 percent from October, RealtyTrac said, but were up 28.3 percent from November 2007.

Last month's rate was equal to one for every 488 households nationwide, the lowest level seen since June.



## National Real Estate Cyber Convention and Exposition

Being held February 22-28, 2009, the Cyber Convention is the largest industry gathering of real estate professionals.

[Click here to learn more.](#)

There is no charge for real estate professionals (that's right, it's free!) to attend this virtual event which is open to the entire real estate community worldwide.

The convention will feature three major keynote addresses, plus over 40 nationally recognized real estate trainers, authors and industry experts in four educational tracks. The keynotes will include Matthew Ferrara, CEO, Matthew Ferrara Seminars and Tech Hotline will discuss "Real Estate, The Next Generation". The second keynote "Drip Marketing Magic" will be presented by Michael Russer, President, CEO, Russer Communications. The final keynote will feature Stefan Swanepoel CEO, RealtyU Group, who will present "Social Networking - The New Real Estate Phenomenon."

## New rules on home sale profits

One of the greatest tax breaks for homeowners - in addition to being able to deduct property taxes and mortgage interest - is the ability to claim tax-free profits on the sale of a principal residence.

Individuals can exclude up to \$250,000 of profit and married couples filing jointly can exclude up to \$500,000 of profit when they sell a house that they lived in for at least two out of five years prior to the sale. Two recent changes in the tax code affect the home-sale exclusion rule as it applies to widows and widowers and to owners of vacation homes.

Previously, the full \$500,000 exclusion could be claimed by a surviving spouse only if the home was sold in the year that a joint return was filed, which generally is limited to the year when the spouse dies. But starting in 2008, a surviving spouse may exclude up to \$500,000 of profit from the sale of the principal residence if the sale occurs within two years of the spouse's death.

If you own a vacation home, get ready to say goodbye to a sweet deal. Under current law, people who make a vacation place their principal residence for at least two years before they sell it may take advantage of the full \$250,000/\$500,000 exclusion of profits from the sale of the home. But if you turn your vacation home into your principal residence after 2008, part of the home-sale profit will be taxed. Any gain that occurs during the time you owned the house after 2008 and did not use it as your principal residence won't qualify for the home-sale exclusion.

For example, say you bought a vacation home in 2000, turned it into your primary residence in 2011 and sold it in 2015. In this case, one-eighth of the profits would be taxable (assuming your overall profit did not exceed the \$250,000/\$500,000 tax-free limit). That's because the home was not your primary residence for two years after 2008 (2009 and 2010) before you converted it to your principal residence. Therefore, the appreciation that occurred during two of the 16 years that you owned the property would not qualify for tax-free treatment.

The change may not affect those who have more than \$250,000/\$500,000 of appreciation, says Harris Abrams, senior tax analyst for the tax and accounting business of Thomson Reuters. That's because the change reduces the portion of the gain that is eligible for the exclusion; it does not reduce the maximum exclusion amount. Any appreciation in excess of the \$250,000/\$500,000 exclusion limits would be taxed at capital-gains rates.

Source: Kiplinger

### Online CE courses available

It is now possible to earn CE credit for your real estate license renewal without leaving your home or office. These courses may be entered and exited at your convenience.

Two courses are available:

***Enviromental Issues in Real Estate*** - 6 hours (3 hours law credit & 3 hours elective credit)

***Real Estate Finance Today*** - 3 hours (3 hours elective credit)

[Click here to learn more](#)

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### Deadline extended for Ambassadors for Cities applications

Local associations now have until January 30, 2009, to submit an application for the Ambassadors for Cities award.

The Ambassadors for Cities program highlights successes in which local REALTOR® associations, Mayors and cities have worked together to address housing opportunity issues.

Each year, several REALTOR® associations and cities receive the Ambassadors for Cities designation and a \$5,000 award to foster their initiatives.

Contact Wendy Penn at [wpenn@realtors.org](mailto:wpenn@realtors.org).

## When it comes to family, there's no place like your hometown

The majority of U.S.-born adults (56%) have not lived outside their birth state and of the 37% who have stayed in their hometown, three-quarters say the main reason is because they want to be near family. Fifteen percent have lived in four or more states.

Pew Research Center's survey paints a vivid portrait about how Americans feel about their hometowns at a time when geographic mobility is at the lowest levels since the government began keeping statistics in 1948.

Pew cites government data that shows 13.2% moved from 2006 to 2007, down from a high of 21.2% in 1951. Census figures to be released in 2009 confirm the trend, showing a dip to 11.9%.

### **Among other findings of Pew's survey of 2,260 adults conducted in October:**

- 13% of respondents were immigrants; of these, 54% say they consider the USA to be home; 38% say they consider their native country home.
- 77% of college graduates say they've changed communities at least once vs. 56% of those with a high school diploma or less. College graduates are more likely to have lived in multiple states.
- 44% of movers cited job opportunities; 35% cited family.
- 74% of those who didn't move cited family as the major reason; 69% said it was the desire to remain where they grew up.



Source: USA Today

## 5 ways to meet seller needs with tough love

Helping sellers set realistic expectations up front increases their chances of appealing to buyers and increases your chances of reinforcing client relationships and having a positive effect on your local market.

### **Here's some food for thought when preparing for that first meeting with prospective sellers:**

1. Determine if the sale is necessary. It's not unheard of for homeowners to think about putting their property on the market "to see what happens."
2. Prepare a detailed pricing summary. Consider multiple angles such as comparables, the neighborhood's outlook and client circumstances to set a recommended price range.
3. Discourage regular price reductions. You get only one chance to make a first impression-and that goes for homes debuting in the MLS.
4. Stage every property. When knick-knacks, quirky paint choices and overly visible personal items greet visitors at a showing, the potential buyers have a tough time picturing a home as their own.
5. Learn to say no. One of my favorite dialogues for overcoming price objections and, if necessary, exiting gracefully without the listing, is "Mr. and Mrs. Seller, I'd rather turn you down today than let you down in six months."

[Read more here.](#)

Source: RISMedia, Margaret Kelly, CRB, CEO of RE/MAX

## 5 ways to make yourself stronger in 2009

What are your goals and resolutions for the new year? Start with these 5 ways to help make yourself stronger in 2009:

1. Stay in touch. Networking has never been easier.
2. Keep Learning. Choose to learn something new every day.
3. Expand your comfort zone. Some comfort zones are established for safety or security.
4. Take care of yourself. "Help others" is a common New Years resolution. But you cannot take care of other people and their needs if you have not taken care of yourself.
5. Write it down. Measure your progress by writing down your goals and check on them every now and then.

[Read more here.](#)

Source: RISMedia, Fayette Wester