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# Real Estate Industry Update

# Washington REALTORS

## Statistics

- >Statewide membership:  
25,219 members in 2006
- >2012 membership: 13,817
- >54% remain



# Local Statistics

- > Tri Cities: 594 vs 697 high (2007) (85%)
- > Yakima: 306 vs 456 high (2008) (67%)
- > Spokane: 1348 vs 2125 (2007) (63%)
- > Wenatchee: 288 vs 411 (2007) (70%)
- > Walla Walla: 114 vs 168 (2007) (68%)



# Membership Concerns

- » Aging Population of Brokers
- » Small percentage depend upon industry as exclusive income
- » Live Education becoming less cost effective
- » Big companies doubting the value of training
- » Client dependence replaced by internet
  - > Or is it?



# Industry Logistics

## » Statewide Forms a success

- > Statewide Electronic Delivery
- > Statewide E-signature (different issue than email delivery)

## » Disclosure vs Information

- > Form 17 vs home inspection

## » Social Media: advertising





# Short Sales

- » A little bit better: still confusing to uninitiated
  - > More reliable processes within an institution
  - > Still no consistency between institutions
- » Short Sale Negotiators
  - > One bad apple . . .
    - + Washington license required
  - > Compensation: Disclose cram down
- » Commissions: Disclose cram down



# Revised License Law

- » Effective Since July 2010
- » Confusing Vernacular: what is a broker?
  - > Do we still have agents?
- » Office Policies largely in place
- » Training mostly complete
- » Assumed Names and advertising >

# Forms Update

## » Earnest Money

- > Escrow caught in the middle
- > More brokerage firms are opening trust accounts
- > Brokers will pick escrow based on prior EM experience
- > Give Form 21 resolution process a try





# Resolution Process

## » Form 21, General Term B

- > Upon termination - parties agree to execute release form (e.g. Form 50 – Authorization to Disburse EM)
- > If a party fails to execute a release – the other may make a written demand to Closing Agent
- > Closing Agent sends notice to the other party
- > If other party fails to timely respond, Closing Agent may disburse EM to party making request
- > Closing Agent is released from any and all claims



# Forms Update

## » Termination of PSA

- > Inspection Contingency
- > Financing Contingency
- > Home Sale Contingency, etc.
- > Can just one party terminate?

## » Once Terminated, can't rescind

- > Understand the difference between Form 51 and Form 50



# REO/Bank Owned

- » Title Issues
- » Signed Acceptance?
- » Excise Tax: Document Stamp Fee
- » Escrow Officer must have  
Washington license: APR 12
- » Title Company Escrow must hold  
funds in Washington Depository:  
RCW 48.29.190 (1)



# Legal Description

## » Statute of Frauds

- > Both firms malpracticed if party enforces

## » Preliminary Commitment for Title


- > Order quickly, if asked

## » If added later, both parties must initial

- > Be careful about correcting the legal



# Computation of Time

- » Start counting next day (day following event)
  - » 5 days or less – does not include Saturdays, Sundays, or legal holidays
  - » More than 5 days = calendar days
  - » Period expires at 9:00 p.m. on last day
    - > If last day falls on Saturday, Sunday, or legal holiday – period expires next business day (except Possession and specific reference)
  - » Applies to all timelines in the Agreement, including all addenda
- 



# Brokers' Favorite Whines About Escrow

» #1 – Earnest Money Return

» Everything Else

- > Lack of communication, Responsiveness
- > Errors in draft HUDs
- > Lack of concern for blowing closing dates
- > Poor Treatment of Client
  - + Industry Lingo
  - + Non- answers

