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### Stimulus Package

#### Details You Can Use



**Homebuyer Tax Credit** – The bill provides for a \$8,000 tax credit that would be available to first-time home buyers for the purchase of a principal residence on or after January 1, 2009 and before December 1, 2009. The credit does not require repayment. Most of the mechanics of the credit will be the same as under the 2008 rules: the credit will be claimed on a tax return to reduce the purchaser's income tax liability. If any credit amount remains unused, then the unused amount will be refunded as a check to the purchaser.

**FHA, Fannie Mae and Freddie Mac Loan Limits** -The bill reinstates last year's 2008 loan limits for FHA, Freddie Mac, and Fannie Mae loans. These limits were equal to the greater of 125% of the 2008 local area median home price or \$271,050 for FHA and \$417,000 for Fannie and Freddie, with an overall maximum cap of \$729,750. For the few areas where the 2009 limits were higher, the higher limits will apply. In addition, the bill includes language providing the HUD Secretary with the discretion, if warranted, to increase the loan limit for any “sub-area”, i.e. an area smaller than a county. The Secretary's discretion is again limited by the \$729,750 cap. These 2009 limits will expire December 31, 2009.

The inclusion of these loan limit provisions in the final bill is a victory for homeowners, buyers and Realtors. While these new limits were included in version of the original stimulus bill approved by the House, the bill first approved by the Senate did not. NAR's Call for Action to both the House and the Senate prior to the final vote advocated strongly for the provisions which were then included in the final bill approved by both Chambers.

**Neighborhood Stabilization** – Division A, Title XII of the bill provides \$2,000,000,000 in additional funding for the Neighborhood Stabilization Program (NSP). The NSP was created by the Housing and Economic Recovery Act of 2008 (Public Law 110–289) to provide grants through the Community Development Block Grant program (CDBG) to states and localities to address the problems that can be created when whole neighborhoods are decimated by foreclosures. The funds can be used to purchase, manage, repair and resell foreclosed and abandoned properties. In addition, the funds can also be used by states and localities to establish financing methods for the purchase and redevelopment of foreclosed properties. After purchase the homes must be used to assist individuals and families with incomes at or below 120% of area median income. Twenty-five percent of funds must be used for households with incomes at or below 50% of area median income. By leveraging their expertise in partnership with others from both the public and private sector, Realtors® in many communities have been making important contributions to their local communities' neighborhood stabilization programs.

**Rural Housing Service** – The bill provides an additional \$500 million to existing USDA Rural Housing programs. The RHS provides both a guaranteed loan program and a direct housing loan program for those meeting the program’s eligibility criteria. The direct loan program will receive \$270 million while \$230 million will be allocated for unsubsidized guaranteed loans. It has been reported that this level of funding would provide for an additional 192,000 homeowners.

**Energy Efficient Housing Tax Credits & Grants** - To promote green jobs and energy independence, ARRA invests significantly in efforts to make homes and buildings more energy efficient. The bill provides state and local governments with \$6 billion in energy efficiency and conservation grants for energy audits, retrofits and financial incentives. Through 2010, homeowners will be able to claim a 30% tax credit (up from 10%) for purchases of new furnaces, windows and insulation. Another \$5 billion will be available to modernize the nation’s electricity grid and install smart meters on homes that help to save consumers money. There is also \$5 billion for weatherization assistance for low income households and \$2 billion for federally assisted housing (section 8) efficiency efforts.

Read more about the stimulus package from the [National Association of REALTORS®](#)

Source: [REALTOR.org](#)



Daylight Saving Time Begins Sunday, March 8, 2009

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## **Real Estate License Renewal**

All Michigan real estate licenses expire on October 31, 2009, which falls on a Saturday this year.

The application renewal process and all continuing education **MUST** be met prior to this time. Remember, your license expires **ON** October 31, 2009. The State of Michigan does not accept postmarked envelopes as the received date.

### **Renewal Rules**

Agents and associate brokers are also required to renew with an **ACTIVE** broker. Renewals for these individuals will not be processed until the employing broker’s renewal is processed.

### **Renewal Procedure**

The State of Michigan Department of Labor & Economic Growth (DLEG) encourages online renewal using the new iCola Internet site. Please follow the directions below to complete this process.

\*Please note: You will need to create an account if you have not completed this step before.

1. Go to the Michigan DLEG iCola website at: [http://www.michigan.gov/dleg/0,1607,7-154-35299\\_48242--00.html](http://www.michigan.gov/dleg/0,1607,7-154-35299_48242--00.html)
2. Select “**Real Estate**” from the iChanges & Renewals drop down menu.
3. Click the “**Go**” button on the right side of this section.
4. Follow the on-screen instructions for the procedure(s) you need to complete.

### **Important Note**

Talk with your broker to make sure the license type has not changed (e.g., the broker was licensed as a corporation broker and is now licensed as an LLC). Licenses DO NOT automatically renew to the new broker business type. Agents must submit a transfer to the new business type. Associate brokers must complete a NEW application to become licensed to the new broker business type.

**\*\*There are no refunds if you find after the fact out that you needed to be licensed to the new business type.\*\***

### **Continuing Education Information**

The current license cycle is November 1, 2006 through October 31, 2009. The only continuing education courses that can count toward this cycle begin with the letter “K”.

You must have a minimum of 2 hours of law and rules update for each of 2007, 2008, and 2009 (these courses begin with the letter “K” and are followed by a 5xxx number). A total of 18 hours continuing education for the 3-year license cycle is required to renew your license.

You can see how many hours have been reported for you by checking your license with the State of Michigan at: <https://www2.dleg.state.mi.us/colaLicVerify/>. If you think the number of hours reported for you is not correct, please verify your completion certificates. If you find a course that was not reported or the hours are incorrect, contact the continuing education sponsor to correct the error.

**\*\*See the example below.**

If you have not met all the renewal requirements by October 31, 2009, you must stop practicing real estate. The 60-day “late renewal” period from November 1 to December 31, 2009 only means that you can still renew your license and pay an additional \$20 late fee. After you receive your updated license, you may continue your real estate practice.

If you have not met all the requirements by December 31, 2009 (the 60-day late renewal period) you must apply for relicensure. This requires using the relicensure application form and submitting the appropriate fee.

An example of an agent's continuing education record.

Date	Education Provider	Course	Course Id	Course Series	Credit Hours
09/19/2008	Michigan Association of Realtors	Avoiding Roadkill	172-K1123	K	1
09/19/2008	Michigan Association of Realtors	Buyer, You're Mine!	172-K1124	K	2
09/18/2008	Michigan Association of Realtors	Creating Connection, Trust & Effectiveness in the Relationship Age	172-K1134	K	1
09/18/2008	Michigan Association of Realtors	Podcasting Alley Part 2	172-K1122	K	2
09/18/2008	Michigan Association of Realtors	Podcasting Alley Part 1	172-K1121	K	1
09/17/2008	Michigan Association of Realtors	Stop Whining - Start Winning	172-K1126	K	2
05/08/2008	Land America Property Inspection Services	Mortgage Fraud	298-K1074	K	1
03/06/2008	Michigan Institute of Real Estate	Course 900-4	230-K1007	K	2
03/06/2008	Michigan Institute of Real Estate	Course 900-2 Legal Update	230-K5190	K	2
03/06/2008	Michigan Institute of Real Estate	Course 900-4 Legal Update	230-K5192	K	2
09/27/2007	Michigan Association of Realtors	Understanding the Value of Geothermal Heating & Cooling Systems in Today's	172-K986	K	1
02/22/2007	The Institute - The Source for Continuing Education	Course 800	256-K5060	K	6
09/26/2006		Identity Theft Secur	056-J734	J	1
09/26/2006		How to Create A Dyna	056-J714	J	1
09/26/2006		Attract Today's Inte	056-J707	J	1
09/26/2006		Attitudes of a Six-F	056-J777	J	2
03/09/2006		Course 700	011-J566	J	6
03/10/2005		Course 600	011-J257	J	6
03/11/2004		Course 500	011-J08	J	6
03/10/2003		2004 CE 6 Hours	011-I06	I	6
10/01/2002		2003 CE 6 Hours	003-H06	H	6
10/01/2001		2002 CE 6 Hours	011-G06	G	6
10/01/2000	Greater Lansing Association of Realtors	2001 CE 6 Hours	023-F06	F	6
10/01/1999		2000 CE 6 Hours	006-E06	E	6
10/01/1998		1999 CE 6 Hours	011-D06	D	6

This agent has a total of 23 hours of continuing education in this cycle (only the "K" courses count), 10 of those hours are in law and rules update and recorded in 2007 (K5060) and 2008(K5192 & K5190). According to Michigan State Law, the only continuing education that **this agent is required** to complete in 2009 is 2 hours of law and rules update, unless additional professional growth is desired.



St. Patrick's Day – March 17, 2009

## Financing Purchases: Getting the Deal Done

Join us on March 19, 2009 at the Home Builder's Association (179 Little Lake Drive, Ann Arbor) for this informative panel discussion where we'll discuss:

- Underwriting specifics
- Understanding how/when hold-ups can occur
- Keeping the clients informed during the process
- How short sales and foreclosures are affecting appraisals
- Changes in the appraisal process



This panel discussion is free for all AAABoR members who register online at <http://ims.aaabor.com>

Non-AAABoR member cost is \$25. Please call the Board office (734.761.7340) to register.

Our invited experts include:

- Jill Crader — Crader Appraising
- Bill Holmes — Ann Arbor Mortgage Company
- Jill LentzAntoine — Mortgage 1, Inc.

Jill Crader obtained her Appraiser license in 1993 and has been an AAABoR member since 1995. Having purchased a home in the Ann Arbor area, her focus has always been providing appraisal services to local banks and mortgage companies in the Ann Arbor area.

Bill Holmes is a 1992 Affiliate of the Year award recipient. This EMU graduate has been in the home financing industry since 1983 when he first joined AAABoR as an affiliate member.

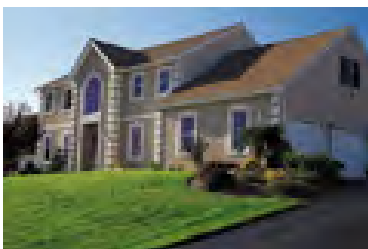
Jill LentzAntoine has been an underwriter since 1986 with the following accreditations:

- FHA DE Approval
- GE Excel Underwriter
- MGIC Select Delegated Underwriter

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## How Long Should It Last? (Home Component Longevity)

Find out how long those kitchen appliances, flooring, fixtures, and more should really last.



Replacing a home's windows, appliances, or roofing can be pricey. So knowing approximately how long before the refrigerator is likely to stop working or the roof might spring a leak can have value to buyers and home owners.

Buyers may want to factor in replacement costs for aging components when they make an offer. Owners can use the information to decide whether to replace a component before a move. Now, a new study by the National Association of

Home Builders provides some insight that can help your clients estimate the average useful life of more than 100 household appliances and building materials.

The true longevity of any household material depends on maintenance, use, quality of installation, and climate conditions, so use these averages as a general guide. The NAHB report still beats asking handy Uncle Fred.

This is a general guideline only. None of the information in this report should be interpreted as a representation, warranty or guarantee regarding the life expectancy or performance of any individual product or product line. Readers should not make buying decisions and/or product selections based solely on the information contained in this report.

### **100 Years or More**

- Brick siding: Lifetime of the home
- All wooden floors: Lifetime of the home
- Cellulose insulation material: 100-plus years

### **50-100 Years**

- Slate, copper, and clay and concrete roofs: 50+ years
- Copper gutters: 50+ years
- Kitchen cabinets: Up to 50 years
- Modified acrylic kitchen sinks: 50 years
- Vinyl floors: 50 years

### **30-50 Years**

- Thermostats: 35 years
- Wooden windows: 30 years
- Wood shake roofs: 30 years
- French interior doors: 30–50 years

### **10-20 Years**

- Built-in audio system: 20 years
- Aluminum windows: 15–20 years
- Asphalt shingle roofs: 20 years
- Faucets, kitchen sinks: 15 years
- Gas ranges: 15 years
- Cultured marble countertops: 20 years
- Dryers and refrigerators: 13 years
- Air conditioning units: 10–15 years
- Lighting controls: 10+ years
- Interior and exterior paints: 15+ years
- Electric or gas water heaters: 10 years
- Air conditioners: 10–15 years
- Furnaces: 15–20 years



## 5-10 Years

- Security systems: 5–10 years
- Heat and smoke detectors: 5–10 years
- Dishwashers: 9 years
- Microwave ovens: 9 years

Read the complete report on the life expectancy of home components at:

<http://www.aaabor.com/downloads/News/e-Source/2009/completelifeexpectancy.pdf>

Source: REALTOR.org



The First Day of Spring – March 20, 2009

## Emeritus Candidates

Do you qualify for Emeritus Status? Do you know someone who does?

A REALTOR that has 40 cumulative years of membership in the National Association of REALTORS® is eligible to request Emeritus Status.

If the National Association of REALTORS® approves your Emeritus Status, you are no longer required to pay association dues. Please complete and submit the REALTOR® Emeritus Application

(<http://www.aaabor.com/downloads/Members/MembershipForms/emeritusapplication.pdf>) to the Ann Arbor Area Board of REALTORS®. This form can be filled out online, printed and faxed to the Board office.



**But hurry, AAABoR must have your application no later than March 31, 2009.**

## Make Your House Greener

Everybody's talking about the importance of eco-friendly living. Here are some cool products - at every price point - to help home owners do their part for the environment.

### Smoke Free Fireplace

As chic as it is eco-friendly, there are fire systems available that provides the pleasure of a



fireplace without the pollutants. The self-contained units are fueled by clean-burning denatured ethanol, a renewable resource. These portable fire boxes can be placed anywhere inside or outside a home since they require neither a utility connection nor a chimney.



### **Vintage Year for Wall Tiles**

Old wine bottles and other recycled glass get a new life as exquisite glossy tiles suitable for kitchens and bathrooms. Glass is ground into granules, and turned into tile by high-temperature fusion. Some manufacturers add no colorants or oxides to the production process, which has saved hundreds of tons of material otherwise destined for landfills.

### **Composting for the Masses**

Instead of tossing food scraps in the garbage, many manufacturers offer home composting equipment. Some systems offer compost that is ready for immediate use on your garden or lawn in as little as two weeks. Compost can also be piled outdoors until you need it. Some fully automatic systems also conserve on their energy use with just 5 kilowatt-hours per month.



### **High-Tech Watering for Your Plants and Lawn**



You'll never worry about overwatering your houseplants if you use an automated system. You won't waste water either. Some systems have digital sensor in the soil to let your African violet or potted palm text message you when it needs water or light. These units will also send a texted "thank you" afterwards. Some high-tech systems offer a connection to your green pal via Twitter. You can view status updates online or have them routed to your mobile phone. These systems keep your houseplants healthy so they can help reduce the levels of carbon dioxide in the atmosphere.

Larger systems let you save water and money when your lawn is thirsty. Some of these systems are setup to send information wirelessly from your PC about local weather conditions and uses this information to calculate the correct amount of water needed for as many as eight yard zones. Households can save 30 to 70 percent on the water bills

annually.

### **Safe and Responsible Wood**

Hardwood cabinetry can be beautiful and eco-friendly if it's made from formaldehyde-free plywood. Look for cabinets made from wood certified by the Forest Stewardship Council, which guarantees that responsible timber industry practices, including the maintenance of the ecological functions of the forest and respect for indigenous peoples' rights, were followed.

### **Heated from Within**

The relatively constant temperature of earth a few feet below ground enables geothermal heat products to heat and cool homes using 40 percent to 70 percent less energy than conventional systems. In the winter, the pumps draw heat into a house through a series of underground pipes and an electrically driven compressor. In the summer, they pull the heat from the home and discharge it into the ground.

## Whole New Light

It's stunning, energy-efficient, and unlike any lighting technology you've seen before. Planilum is a light-emitting glass panel developed by two French companies. Less than an inch thick, each panel consists of four layers of glass infused with nontoxic gas and phosphorous compounds. Planilum lights can be incorporated into shelves or tables or can stand alone and each light is expected to last about 20 years if used eight hours a day.

Source: REALTOR.org

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## New Members

### New REALTOR® Members January 2009

Christine Fitzsimons	Edward Surovell, REALTORS®
Gloria Galbreath	Norfolk Realty
Shanna Judit	Keller Williams – Ann Arbor
Snow Liao	The Charles Reinhart Company
Dennis Merrick	Preview Properties

### New Affiliate Members January 2009

Robert Guilloz	Argyle Advisors
Joy Korte	American Title
Rhonda McGill	Community Housing Alternatives

### REALTOR® Member Transfers January 2009

Member	Transferred to:
Evangeline Cunningham	Century 21 Brookshire
Kristyn Huige	Real Estate One

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## Calendar

To see what's happening this month, visit the following: <http://aaabor.com/events>.