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# Table of Contents

**Opportunities**

- Leadership Academy: Apply Today!  
  Page 5
- Call for Volunteers  
  Page 21
- Maryland Realtors® Awards: Call for Entries  
  Page 31
- Maryland Realtors® GRI Program  
  Page 35

**Features**

- Legislative Update: A Year of Challenges  
  Page 8
- Scenes from the 2020 Maryland Realtor® Rally  
  Page 14
- COVID-19 Realtor® Heroes  
  Page 16
- Cover Feature: Home Ownership  
  Page 18
- Legal Hotline Special Focus: Forbearance v. Foreclosure  
  Page 22
- The Economy: Just When It Was Getting Good  
  Page 28

**Departments**

- President’s Perspective  
  Page 3
- 2021 Elections Update  
  Page 4
- Global Business  
  Page 32
- Commercial Real Estate  
  Page 33
- Education  
  Page 34
- Sell More with Maryland  
  Page 36
- Bright MLS  
  Page 38
- CEO Corner  
  Page 40

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**Scenes from the 2020 Maryland Realtor® Rally**

A Challenging Session, Cut Short by COVID-19

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**Cover Feature:**

Home Ownership

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**The Economy:**

Just When It Was Getting Good

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Mission Statement
Maryland REALTORS® exists to support all segments of its membership and their specialties. Maryland REALTORS, through collective efforts with local boards/associations and the National Association of REALTORS®:

■ Develops and delivers programs, services and related products that maintain and elevate the high standards of the real estate business and the professional conduct of its practitioners;

■ Assists members in ethically and professionally serving the public;

■ Promotes and preserves the right to own, transfer and use real property; and

■ Protects the right of members to conduct business within a framework of fair and reasonable laws and government regulations.

In principle and in practice, Maryland REALTORS® values and seeks diversity and inclusive participation within the field of real estate and recognizes each member as a unique individual.

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This publication is designed to provide accurate and authoritative information regarding the subject matter covered. It is offered with the understanding that the publisher is not engaged in rendering professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought. Articles that appear in Maryland REALTOR® are an informational service to members. Their contents are the opinions of the authors alone and do not necessarily represent those of Maryland REALTORS®.

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Along Came The Pandemic

I have a feeling I’m not alone in having lots of time to think about things that our normally busy lives don’t allow us the luxury of pondering. One thing that’s on my mind is how events overtake us. When I ran for Maryland REALTORS® President—and indeed even at the beginning of my term—I could not have predicted that leading our Association through a pandemic would become one of my most substantial contributions to our community.

It has made me rethink what leadership means. My emphasis on relationships and personal contact, including my visits to our local boards, has taken a back seat to us all staying safe. Our quick adoption of the technologies that allow us to do business remotely has changed, probably forever, how we interact with each other. We have adjusted to this new reality and are actively researching the best platforms to allow us to conduct the governance functions that are at the heart of our REALTOR® organizations.

One thing I will certainly take away from this is how our local Presidents, AEs, officers, and staff have responded with unparalleled skill and professionalism. Their unselfish dedication to our members has been truly inspiring. We can say the same of our NAR leadership. They have provided invaluable assistance in advocating for our members and equipping us with the most current information in an ever-evolving landscape.

At the state level, your Leadership Team has been in constant contact, reviewing materials and working through the challenges we face. Last, but certainly not least, I’d like to personally thank the Maryland REALTORS® staff for their tireless efforts, working remotely, to provide our members with the most accurate and timely information and guidance possible. They have been working nonstop since this began, including nights and weekends, to be the credible source of useful information you have relied on for so long. You have our pledge that this will continue.

In the midst of it all, the 2020 Maryland General Assembly met, although it adjourned three weeks early. Regardless, I’m pleased to say that most of our legislative agenda passed, including my primary initiative to include a module on professionalism in the required Ethics class. This new mandate will not increase the number of hours required for license renewal but will expose all licensees to the tenets of the pathways to professionalism. See page 8 for a complete review of the Session from Bill Castelli, our Senior Vice President of Government Affairs.

Also, as we strive for as much normalcy as possible, we are opening the 2021 Committee application process in early June. Turn to page 21 for details.

Although we expect a slowdown in spring real estate business activity, we remain hopeful for a post-pandemic market rebound. According to NAR, home sales will decline this spring, but much of the market activity should reappear later in the year. Home prices should remain stable, given the pandemic-induced reduction in inventory coupled with less immediate concerns over foreclosures.

We may not know how long this pandemic will last, but it will end eventually. Many aspects of our lives and businesses that have seen enormous changes in response to the virus will return to normal. Some things, however, will never go back to the way they were. Given how this outbreak has affected us, the way we live and work will be fundamentally altered.

Please be good neighbors and colleagues. We will get through this together.
Maryland REALTORS® Announces its 2021 Slate of Candidates

The Maryland REALTORS® Credentials Committee is pleased to announce that the following members have been determined to be Eligible Candidates for the listed offices.

**President-Elect**
Craig Wolf

**Secretary**
Denise Lewis
Yolanda Muckle

**At-large Director (3 Open Seats)**
Phyllis Adam
Melanie Gamble
Bob Kimball
Grace Masten
Larry Smith

**District Vice-President**
Anita Davis
District 1 (GBBR)

Avram (Avi) Adler
District 2 (GCAAR)

Cheryl Abrams Davis
District 3 (PGCAR)

Maureen Nichols
District 4 (HHAR, FCAR, GCBOR, Pen-Mar Regional Association of REALTORS®)

Daniel Hoff
District 5 (Harford County AOR; Howard County AOR, CCAR)

Bridget Scott
District 6 (AACAR)

Linda McKinnon and Sheila Washburn
District 7 (BAAR, CCBOR, MSBR)

Don Bailey
District 8 (CAR)

Christopher Hill
District 9 (SMAR)
MARYLAND REALTORS®
LEADERSHIP ACADEMY
Preparing Tomorrows Leaders Today

PARTICIPANT APPLICATION 2020–2021

INSTRUCTIONS
Applicant must have been licensed prior to February 1, 2020. Type or print information clearly and complete each section fully. Application must be signed and returned no later than August 1, 2020.

I. PERSONAL DATA
Date: ______________________
Full Name: _______________________________ Nickname Preferred: _______________________________________
Home Address: ____________________________________________________________________________________
Business Address: __________________________________________________________________________________
Home Phone: ________________________________ Business Phone: _______________________________________
E-mail Address: _________________________________________ Fax: _______________________________________
Year Licensed: _________________________ Years in REALTOR® Assn.: _______________________________________
How did you hear about the Academy? ________________________________________________________________

Real Estate Specialty (check all that apply):
☐ Appraisal ☐ Commercial ☐ International ☐ Property Mgmt. ☐ Residential
☐ Auction ☐ Counseling ☐ Land ☐ Relocation ☐ Resort
Other: ___________________________________________________________________________________________

Real Estate Designations Earned (check all that apply):
☐ ABR ☐ CCIM ☐ CPM ☐ CRS ☐ GAA ☐ GRI ☐ RCE ☐ SIOR ☐ SRS
☐ ALC ☐ CIPS ☐ CRB ☐ CRE ☐ GREEN ☐ PMN ☐ RAA ☐ SRES
Other Certifications: _______________________________________________________________________________

II. EDUCATION Please specify highest level attained.
☐ GED ☐ Associates Degree ☐ Masters Degree ☐ Trade School
☐ High School ☐ Bachelors Degree ☐ Doctorate Degree
Other: ___________________________________________________________________________________________

B. Leadership positions held, special honors and awards received: __________________________________________
_________________________________________________________________________________________________

III. WORK EXPERIENCE
Present Firm Name: ____________________________________________
Position: _________________________________________________________________________________________
A. Briefly describe your responsibilities in your job: ______________________________________________________
_________________________________________________________________________________________________
_________________________________________________________________________________________________
B. What do you consider your highest career achievement to date? ________________________________________
_________________________________________________________________________________________________
_________________________________________________________________________________________________
C. Business/Professional Affiliations (if any) (Please include local Board of REALTORS®, Maryland REALTORS® and NAR involvement as well as business affiliations.)

<table>
<thead>
<tr>
<th>NAME OF GROUP</th>
<th>POSITIONS HELD OR ASSIGNMENTS</th>
<th>PERIOD OF AFFILIATION</th>
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IV. COMMUNITY INVOLVEMENT
A. Include community, civic, religious, political, governmental, social, athletic and/or other activities. Do not include business/professional activities.

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>ASSIGNMENT/POSITION</th>
<th>DESCRIBE RESPONSIBILITIES</th>
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</table>

B. If you have additional significant community, civic, religious, political, social, athletic and/or other areas of active involvement, please attach statement.

V. COMMITMENT (To graduate from the Maryland REALTORS® Leadership Academy, a participant is required to attend all sessions.)

Session 1—Orientation & Organizational Leadership—Styles & Visioning—October 8, 2020
Session 2—Organizational Long-Range Planning—Leading the Organization—November 18, 2020
Session 3—Professional Conduct and Governance—December 3, 2020
*Session 4—The Role of the Association in Legislation/Government Affairs—January 14, 2021
Session 5—Effective Communications—Media Relations—February 4, 2021
Session 6—Diversity in Business—March 4, 2021
Session 7—Business Trends & Goal Re-Visitation—April 1, 2021
Session 8—Closing Leadership Academy Recognition Ceremony—April 20, 2021

*Date Tentative

Mail application to: Maryland REALTORS® Leadership Academy
200 Harry S. Truman Pkwy, Ste. #200, Annapolis, MD 21401
Interview Locations: Please select priority order with “1”. Time Range: 9 a.m.–3 p.m. (Later if necessary)

 _____ ANNAPOLIS 8/11/20  _____ANNAPOLIS 8/20/20

DEADLINE FOR APPLICATION SUBMITTAL IS AUGUST 1, 2020. All applicants will be interviewed.
After interviews applicants will be notified of acceptance by September 1.

I understand the purposes of the Maryland REALTORS® Leadership Academy program. If I am selected I will devote the time and resources necessary to complete the program. Sessions 1 through 7 are mandatory for completion. If a participant misses one (1) session, he/she will be allowed to continue with the class but will not graduate until the missed session is made up as approved by the Committee, not later than the next year’s program. If a participant misses more than one session, he/she will be asked to withdraw, reapply and repay when he/she is able to make the commitment. No refunds will be given. I understand the above commitments and agree to be bound by them in signing this application.

Applicant Signature _____________________________________________ Date ____________________________

Print Name: ______________________________________________________________________________________

Tuition: If accepted into the Maryland REALTORS® Leadership Academy program, you will be personally billed for the $750 tuition fee with payment due prior to program start for course admittance.
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» Expand your capabilities
» Safeguard client information
» Protect your business
Being challenged in life is inevitable, being defeated is optional.”

This quote by Roger Crawford, a physically disabled Division 1 tennis player and now motivational speaker, is a good theme for 2020. From a tax on real estate services to the COVID-19 pandemic, this year has presented hurdles for our industry, our state, and our nation.

When Maryland REALTORS® President John Harrison unveiled his legislative priority for the year—adding a professionalism component to the continuing education ethics class—the idea not only appeared achievable, but likely. That was until the Legislative session ended three weeks early due to the COVID-19 crisis. Nevertheless, the professionalism bill passed along with two other REALTOR® priorities: 1) legislation improving notice of property restrictions to buyers, and 2) eliminating ground rent escrows for many transactions.

When a bill imposing a sales and use tax on real estate and other professional services was introduced late in session to raise money to cover the cost of education reform, defeat was not certain. However, more than 700 REALTORS® rallied in Annapolis to stop the bill (see page 14). REALTORS® and other opponents carried a strong message that day, helping convince legislators to vote unanimously against the bill.

With the ongoing COVID-19 crisis, it is still not clear what other tests REALTORS® will face, but given the last four months, it is obvious REALTORS® will face these challenges with determination and creativity.

The following summarizes some other key challenges REALTORS® confronted during session.

### Affordable Housing and Taxes

<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Bill Title</th>
<th>Status</th>
<th>Effective Date/Start of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 222</td>
<td>Income Tax Rates – Capital Gains Income</td>
<td>NOT PASSED</td>
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<tr>
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<td>Imposes an additional tax of 1% on capital gains of Marylander taxpayers,</td>
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<td>including gains from the sale of real property</td>
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<td>HB 257/SB 417</td>
<td>Property Tax – Credit for Disabled Veterans</td>
<td>PASSED – Effective June 1, 2020</td>
<td>tax years starting after June 30, 2020</td>
</tr>
<tr>
<td></td>
<td>Enables local county and municipal governments to grant tax credits against property taxes for disabled veterans and their spouses. The tax credit can be granted for a 50% disability.</td>
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</tr>
<tr>
<td>HB 411</td>
<td>Homestead Property Tax Credit – Calculation of Credit for Dwelling Purchased by First-Time Homebuyer</td>
<td>NOT PASSED</td>
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<td>Establishes a process for a first-time homebuyer to receive a homestead tax credit based on the previous property owner’s assessment. The additional homestead amount would phase out over a period of six years.</td>
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</tr>
<tr>
<td>HB 439</td>
<td>Income Tax – Carried Interest – Additional Tax</td>
<td>NOT PASSED</td>
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<tr>
<td></td>
<td>Imposes an additional 17% tax on pass-through-entity taxable income. Would have levied this extremely high tax on many real estate partnerships despite an attempt to exempt out partnerships where 80% of the value was held in real estate.</td>
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<tr>
<td>HB 566/SB 713</td>
<td>Opportunity Zone Enhancement Program – Eligibility – Lead-Based Paint Affected Properties</td>
<td>PASSED – Effective July 1, 2020</td>
<td>tax years starting after December 31, 2019</td>
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<tr>
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<td>Clarifies that applicants for Opportunity Zone Property Tax Credits must ensure the property complies with the State Lead Poisoning Prevention Program.</td>
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<tr>
<td>HB 759</td>
<td>Historic Revitalization Tax Credit – Expansion – Rehabilitations of Common Elements of Condominiums and Cooperative Projects</td>
<td>PASSED – Effective July 1, 2020</td>
<td>tax years starting after December 31, 2019</td>
</tr>
<tr>
<td></td>
<td>Authorizes condominiums and cooperatives to apply for the small commercial project historic tax credits if the project involves the common elements of the structure.</td>
<td></td>
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</tr>
<tr>
<td>HB 768/SB 700</td>
<td>Property Tax Credit – Disabled Military Personnel and Surviving Spouses</td>
<td>PASSED – Effective June 1, 2020</td>
<td>tax years starting after June 30, 2020</td>
</tr>
<tr>
<td></td>
<td>Changes the enabling statute granting authority for property tax credits to disabled military personnel and their spouses. The statute now specifies that these individuals may receive a property tax credit even if they are not retired and have not lived in the property for the last 40 years (requirements under the old law). Local governments have authority to establish different criteria for the credit. The credit may not exceed 20% of the total tax and may be granted for up to five years.</td>
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www.mdrealtor.org
HB 788/ SB 486 – Income Tax – Itemized Deductions  
STATUS: NOT PASSED  
Authorizes a Maryland taxpayer taking the standard federal tax deduction to itemize their state taxes as if they had itemized their federal taxes. The bill permits individuals to take federal deductions like the mortgage interest deduction and/or state and local property tax deductions against state taxes even when taking the standard deduction federally.

HB 862/ SB 978 – Historic Revitalization Tax Credit – Transferability (Historic Revitalization Tax Credit Improvement Act of 2020)  
Authorizes the Historic Revitalization Tax Credit to be transferred to a third party involved in the transaction like a bank or other investor. Transferability helps monetize the credit thereby increasing the pool of potential investors for projects.

HB 913/ SB 631 – Income Tax Standard Deduction – Alteration and Cost of Living  
STATUS: NOT PASSED  
More than doubles the Maryland Standard Deduction making it more comparable to the standard deduction in Virginia.

HB 932/ SB 1001 – 21st-Century Economy Fairness Act  
STATUS: VETOED  
Imposes the sales and use tax on certain digital products like music, e-books, and videos.

HB 980/ SB 775 – Income Tax – Energy Storage Tax Credit – Alterations  
Authorizes a tax credit for residential and commercial property owners against the costs of installing an energy storage system. The credit may not exceed $5,000 for residential applicants and $150,000 for commercial applicants. Total credit amounts may not exceed $750,000 annually.

HB 1076 – Homestead Property Tax Credit – Date of Transfer of Dwelling  
Clarifies that a deed recorded after the start of Maryland’s new fiscal year (July 1) may use the date of transfer of the property (between January 1–July 1) to ensure the homeowner’s homestead tax credit is not delayed an additional year.

HB 1189/ SB 63 – Baltimore City – Property Tax Credit for Newly Constructed Dwellings – Reauthorization and Modification  
Clarifies that a deed recorded after the start of Maryland’s new fiscal year (July 1) may use the date of transfer of the property (between January 1–July 1) to ensure the homeowner’s homestead tax credit is not delayed an additional year.

HB 1200 – Property Tax – Credit to Offset Increases in Local Income Tax Revenues – Eligibility  
STATUS: PASSED – Effective June 1, 2022 for tax years after June 30, 2022.  
Clarifies that the property tax credit, which offsets income tax increases, is available only for principal homes receiving the Homestead Tax Credit.

HB 1628 – Sales and Use Tax – Rate Reduction and Services  
STATUS: NOT PASSED  
Extended the sale and use tax to almost all services in Maryland, including real estate services. Over 700 Maryland REALTORS® rallied at the Maryland State House in opposition to this bill. Another bill that taxed fewer (non-real estate services), HB 1354, also failed to pass.

SB 48 – Property Tax – Homeowners’ and Renters’ Property Tax Credits – Deadlines  
Extends from September 1 to October 1 the amount of time available to apply for the Renters or Homeowners tax credit (not the Homestead Exemption) and requires the State Department of Assessments and Taxation (SDAT) to make available the Homeowner’s tax credit application by February 15.

SB 523 – Income Tax – Pass-Through Entities and Corporations  
Authorizes small businesses to use pass-through entities to avoid the credit and deduction limitations placed on individuals under the federal tax reform legislation, including the $10,000 cap on the deduction for state and local property taxes.
Dewatering zones are areas affected by the state designated dewatering zones. These zones are located in Baltimore, Carroll, Frederick, and Washington Counties about residential real estate contracts informing buyers in Baltimore, Carroll, Frederick, and Washington Counties about the state designated dewatering zones. Dewatering zones are areas affected by surface mining operations, which may result in sink holes.

**Dewatering Influence**

As amended, requires a buyer notice in residential real estate contracts informing buyers in Baltimore, Carroll, Frederick, and Washington Counties about the state designated dewatering zones.

**Real Estate Brokerage and Contracts**

<table>
<thead>
<tr>
<th>Bill</th>
<th>Description</th>
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</table>
| HB 93/SB 155 | Consumer Protection — Mobile Home Purchasers
| STATUS: PASSED — Effective October 1, 2020. Establishes a duty of good faith, restrictions on steering, and notice about foreclosure on mobile home retailers. |
| HB 94/SB 152 | Estates and Trusts — Rule Against Perpetuities
| STATUS: PASSED — Effective October 1, 2020. Clarifies that a statutory exemption to the Rule Against Perpetuities applies only to lease options that may be exercisable during the time of the lease. Options extending beyond the lease would be void. The Rule Against Perpetuities ensures that non-vested future interests are valid only if they vest not later than twenty-one years after a life in being at the creation of the interest. |
| HB 116/SB 164 | Home Builder Guaranty Fund — Award Limitations — Revisions
| STATUS: PASSED — Effective October 1, 2020. Increases the aggregate limitation on Home Builder guarantee fund payouts to $500,000 from $300,000. Individual payouts are still limited to $50,000. |
| HB 149 | Real Property — Ground Leases — Required Notifications — Private Transaction Redemptions
| STATUS: PASSED — Effective October 1, 2020. Clarifies that a leasehold tenant may notify the State Department of Assessments (SDAT) about a ground lease redemption. Although the ground rent holder is required to notify SDAT, many times the owner fails to notify SDAT. |
| HB 172 | Real Property — Ground Leases — Repeal of Registration Fees
| STATUS: PASSED — Effective October 1, 2020. Repeals the registration fee for ground rent registrations. |
| HB 178 | Real Property — Required Notices for Contracts of Sale — Zones of Dewatering Influence
| STATUS: NOT PASSED
| As amended, requires a buyer notice in residential real estate contracts informing buyers in Baltimore, Carroll, Frederick, and Washington Counties about the state designated dewatering zones. Dewatering zones are areas affected by surface mining operations, which may result in sink holes. |
| HB 241/SB 170 | Real Property — Ground Leases — Past Due Ground Rent
| STATUS: PASSED — Effective October 1, 2020. Permits title companies to stop escrowing three years’ worth of ground rent if the ground rent was never registered. |
| HB 314 | Real Property — Lien Priority of Refinance Mortgages — Exception for Government Junior Mortgages
| STATUS: PASSED — Effective June 1, 2020. Ensures that the Department of Housing and Community Development (DHCD) is notified when a participant in the Maryland Mortgage Program refinances a loan so that the Department can recapture the down payment assistance loan, which is a junior lien to that MMP loan. |
| HB 349/SB 280 | Occupational and Professional Licensing — Service Members, Veterans, and Military Spouses — Revisions to Reciprocity Requirements
| STATUS: PASSED — Effective October 1, 2020. Amends the expedited licensing law for licensing bodies like the Real Estate Commission. Clarifies that a service member, veteran, or military spouse can receive an expedited license based on the individual having held the same license in good standing in another state for at least one year. It clarifies that an applicant seeking multiple licenses must show good standing for all the licenses. |
| HB 481/SB 131 | State Highways — Commercial Signs in Rights-of-Way — Penalties
| STATUS: PASSED — Effective October 1, 2020. Although these bills were not identical, both increased the penalties for violations of commercial signs in state right-of-way areas. SB 131 was passed and keeps the current fine at $25 but increases the fine to $100 if the commercial sign is affixed to a state sign, signal or marker. HB 481 would have increased all fines to a maximum of $1,000 but did not pass. |
| HB 929 | State Real Estate Commission — Property Managers — Registration
| STATUS: NOT PASSED
| Requires many property managers to register with the Maryland Real Estate Commission and carry at least $100,000 surety bond to conduct real property management services. The legislation exempted certain activities as well as property managers who already hold a real estate license. The bill passed the House but was never voted in the Senate. |
| HB 1006 | Real Estate Brokers — Exemption for Auctioneers — Repeal
| STATUS: NOT PASSED
| Removes the exemption for auctioneers from the real estate licensing act, thereby requiring auctioneers to obtain a real estate license if the auctioneer offers real estate for auction. Because the exemption from the real estate licensing law only applies to licensed auctioneers and few local governments license auctioneers, many auctioneers already hold a real estate license. There will be an “interim study” of the issue before next session. |
| HB 1077 | Real Property — Deletion of Unlawful Ownership Restrictions — Exemption from Fees and Surcharges
| STATUS: PASSED — Effective October 1, 2020. Prior legislation created an easier process to remove illegal covenants affecting race, religious belief or national origin from property records, for community groups and homeowners. This legislation eliminates the fees associated with recording such documents. |
| HB 1084/SB 154 | Real Property — Recordation of Deeds — Assignments of Rents and Assignments of Leases for Security Purposes
| STATUS: PASSED — Effective October 1, 2020. Adds assignment of rents and assignment of leases for security purposes to the statute allowing a deed to be recorded or released without needing a certificate of preparation by an attorney admitted to the Maryland Bar. |
| HB 1182/SB 806 | Real Property — Redemption or Extinguishment of Ground Rents
| STATUS: PASSED — Effective October 1, 2020. Creates a clearer process to redeem a ground rent that may have multiple sub leases. |
HB 1444/SB 531 – Discrimination – Definition of Race – Hair Texture and Hairstyles
Clarifies that certain hairstyles associated with race are included in the definition of race under anti-discrimination laws. Traits associated with race include hair texture, afro hairstyles and protective hairstyles, “like braids, twists and locks.”

HB 1446/SB 350 – State Real Estate Commission – Continuing Education Requirements – Ethics and Professionalism
STATUS: PASSED – Effective October 1, 2020
Requires a professionalism component as part of the three-hour mandatory Ethics Class. Does not increase the total number of hours required for continuing education.

HB 1561 – Discriminatory Housing Practices – Intent
STATUS: NOT PASSED
Establishes a new standard for proving discrimination in housing. Permits a finding of discrimination regardless of a person’s intent.

SB 6 – State Real Estate Commission – Sunset Extension
Extends the authority of the Real Estate Commission for another 10 years until July 1, 2032.

SB 570 – Real Property – Notice of Easements, Covenants, Restrictions, and Conditions – Recordation
Authorizes a notice of easement, covenants, or other property restriction to be recorded in the land records. Because title searches do not examine the entire title of a property, there are times when easements and other property restrictions are missed. By allowing a notice to be recorded closer to sale, the property restriction is more likely to be discovered by a title search. The bill is not mandatory but allows parties who wish to enforce their rights to record the notice.

SB 636 – Maryland Revised Uniform Law on Notarial Acts – Requirements for Appointment as a Notary Public – Alterations
The bill delays sections of the Notary law passed last year, which adds new education requirements and testing for notaries. The bill would have also delayed the provisions of the law permitting remote notarization, but those provisions were amended so that remote notarization could take effect this fall. Due to the COVID-19 Pandemic, the Governor issued an emergency order making the remote notary provisions in the law effective as of March 30th, 2020. If this emergency order is rescinded before October 1, 2020 and without further direction on this matter, remote notarizations will be suspended until the October 1, 2020 effective date.

Common Ownership Communities

HB 25/SB 293 – Condominiums and Homeowners Associations – Amendments to Declarations and Governing Documents
Changes the notice requirements of Common Ownership Communities (CoCs) to lenders. Sometimes governing documents require the notice and approval of lenders to make changes. This legislation still requires CoCs to give notice, but if the lender does not object within 60 days it is assumed that the lender granted consent. The bill does not apply to amendments altering the priority of the lien or materially impairing the unit as collateral. The bill would also not impair the rights of the holder under the mortgage or deed of trust. In these three instances, the lender must still give express consent.

HB 108/SB 175 – Condominiums – Responsibility for Property Insurance Deductibles
Makes changes to the current law regarding insurance coverage of condominium common areas. Clarifies that the Condominium association’s insurance is responsible for damages to the common areas originating outside of the condominium and not just damages from within the common areas. The bill also clarifies that if the damage results from an owner’s unit, the owner is responsible for paying the Condominium association’s deductible up to $10,000. That amount can be insured in the owner’s policy and was increased from $5,000.

HB 444 – Homeowners Associations – Powers, Board of Directors, Voting, Meetings, and Rules
STATUS: NOT PASSED
Expands the provisions of the Homeowners Association Act to reflect the greater detail and protections included in the Condominium Act.

HB 592 – Real Property – Regulation of Common Ownership Community Managers
STATUS: NOT PASSED
Creates a State Board of Common Ownership Community Managers to regulate and oversee Common Ownership Communities. The legislation passed the House of Delegates but was never voted in the Senate.

Land-use, Property Rights, and the Environment

HB 136/SB 254 – Environment – On-Site Wastewater Services – Regulation
STATUS: NOT PASSED
Although not the same bills, as amended both bills license septic inspections; HB 136 would have established the State Board of Wastewater Professionals.

HB 210/SB 342 HB 1059/SB 950 – Aquaculture – Leases in Water Column – Riparian Right of First Refusal
STATUS: NOT PASSED
Creates notice for shore owners of aquaculture leases near their property. One of the bills would have provided those shoreline owners with a right of first refusal to purchase the aquaculture lease.
HB 517 – Constitutional Amendment – Environmental Rights
STATUS: NOT PASSED
Provides in the Maryland Constitution that every person has certain environmental rights, including the preservation of the natural, scenic, and historic values of the environment. Any person would be able to sue to stop development if the development violated any of these rights.

HB 1406 – Land-Use – Comprehensive Plan – Middle Housing (Planning for Modest Homes Act of 2020)
STATUS: NOT PASSED
Eliminates zoning restrictions for certain middle-income housing construction. As amended, the bill deleted the zoning override and added additional criteria to the housing element now required for comprehensive plans in Maryland.

HB 1540/SB 1067 – Environment – Mold Inspections – Standards, Reporting, and Penalties
STATUS: NOT PASSED
Requires local governments to conduct annual mold inspections of residential rental units.

HB 929 – State Real Estate Commission – Property Managers – Registration
STATUS: NOT PASSED
Requires many property managers to register with the Maryland Real Estate Commission and carry at least $100,000 surety bond to conduct real property management services. The legislation exempted certain activities as well as property managers who already hold a real estate license.

HB 1372 – Real Property – Residential Leases – Repair of Dangerous Defects and Failure to Pay Rent
STATUS: NOT PASSED
Eliminates the ability of a landlord to proceed with an eviction if the tenant has had three prior judgments for nonpayment within the 12-month period of the current action. Authorizes tenants to file for damages in a case alleging the breach of the warrant of habitability to calculate those damages based on when a landlord “should have known” of the problem rather than when the landlord received actual notice.

HB 988 – Environment – Business Recycling Reporting Requirements
STATUS: NOT PASSED
Requires businesses to submit a recycling report to local government on or before March 1 every year. The business would be required to track the amount of recycled material by weight and type.

Miscellaneous

HB 196/SB 124 – Maryland Health Benefit Exchange – Assessment Applicability and Report on State-Based Individual Market Health Insurance Subsidies
Requires the Maryland Health Benefit Exchange (MHBE) to report on different subsidies for the individual market.

HB 901/SB 527 – Health Insurance – Policy of Group Health Insurance – Associations
STATUS: NOT PASSED
Permits a Chamber of Commerce to establish an association health plan in Maryland.

HB 930/SB 977 – Maryland Health Benefit Exchange – Funding for Small Business Insurance Subsidies and Outreach
STATUS: NOT PASSED
Requires an annual appropriation of $17 million to expand the Small Business Health Options Program (SHOP). SHOP is intended to assist a small business with at least one employee and no more than 50. Self-employed would not be eligible.

HB 999/SB 540 – Member-Regulated Cooperatives – Establishment (Rural Broadband for the Eastern Shore Act of 2020)
STATUS: PASSED – Emergency legislation that becomes effective upon Governor’s signature
Reclassifies Choptank Electric as a member-regulated cooperative that will permit Choptank to provide broadband internet services to its members. The Eastern Shore is one of the most underserved areas of the state for broadband.

HB 1329 – Maryland Health Benefit Exchange – Establishment of Small Business Health Insurance Subsidies Program
STATUS: NOT PASSED
Requires the Governor to fund an expansion of the Small Business Health Options Program (SHOP). SHOP is intended to assist a small business with at least one employee and no more than 50. Self-employed would not be eligible.
Harnessing the Power of REALTORS® Statewide

More than 700 members rally in Annapolis to defeat HB 1628

BY SUSAN MITCHELL, DIRECTOR, GOVERNMENT AFFAIRS
On March 2, not knowing that within just three days Maryland’s Governor would be declaring a State of Emergency due to COVID-19, hundreds of Maryland REALTORS® traveled to Annapolis from all over the state to protest HB 1628, the Sales and Use Tax on Services, which included real estate services. When Del. Eric Luedtke introduced it to address education funding shortfalls, the Governor said that imposing such a tax would devastate Maryland’s economy. Maryland’s REALTOR® community agreed, and more than 700 showed up to peacefully oppose the bill.

With a dozen buses arriving from all over the state, members gathered en masse to take part in the Maryland REALTORS® rally. Association members disembarked in front of the Maryland Treasury Building and were greeted by staff members who shared demonstration posters, talking points, and Maryland REALTORS® hats. Outside, on a beautiful spring day, a sea of REALTORS® united and spoke with one voice. Loud and proud, REALTORS® enthusiastically chanted in unison at the top of their lungs, “No real estate services tax! It’s not too late! Oppose one-six-two-eight!”

With the collaborative efforts of local association colleagues, the demonstration was swift and tactical. Following the rally, REALTORS® dispersed across the street to the House State Office Building to file through security and share their concerns with their respective legislators prior to the Ways and Means public bill hearing. The bill was defeated by an overwhelming vote. Thank you to everyone who showed up to speak out!
Maryland REALTORS® would like to recognize the many REALTORS® who are helping their community in fighting the coronavirus pandemic. Thank you for all you do! If you know of a REALTOR® who is helping her or his community and supporting first-responders and healthcare workers, please send the story and an image of the REALTOR® to communications@mdrealtor.org, with “COVID-19 Heroes” in the subject line. We may share the story in Maryland REALTOR® magazine or in our social media!

**Heroes In The Fight Against COVID-19**

**Kristi Neidhardt Sargent**
Northrop Realty, is working with the www.roundtablerelief.org, an organization that is helping to feed first-responders. Says Kristi, “Our Rotary club just got a $30,000 grant for this cause. Our fund fed all 400 workers at each hospital in Anne Arundel County on Easter and will keep going for both hospitals and the police and fire departments.”

**Carol Prickett Snyder**
Carol Snyder Group, has raised money and solicited help to assemble more than 2,500 face shields for nurses and doctors.

**The CARE Committee**
of the Cecil County Board of REALTORS® —
Laura L’Italien, Academy Mortgage; Al Peteraf, Integrity Real Estate; Ronnie Boyd, Howard Bank; Susan Knight, Ardent Title; James Lacey, RE/MAX Associates; and Jerry Moran, Mason Dixon Realty—organized a fundraiser to donate lunches to organizations in Cecil County that have experienced hardships due to COVID-19. Monies raised have helped Calvert Manor Healthcare, Elkton Nursing Home, and the Cecil County Help Center.

**Linda Austin**
Long and Foster on Kent Island, has been providing food for needy kids and families in Queen Anne’s County. At the beginning of the quarantine, Linda’s team prepared 200 meals each week. Now, they’re making close to 1,000 meals weekly, while also producing backpacks of food for underserved children.
Become an efficiency expert and **WOW** your clients!

Energy efficiency is a hot topic these days. Sellers want to make their homes more energy efficient so that they’re more attractive come selling time. And buyers are interested in efficiency as a way of reducing energy usage and lowering bills. There are many things your clients can do to make their homes more energy efficient. Get familiar with these four smart moves and you’ll be well on your way to becoming an energy-efficiency expert for your clients!

1. **Keep warm air moving** — Your clients can distribute heat more evenly in rooms by running a ceiling fan in reverse. Recirculating warm air trapped near the ceiling will keep the house warmer, and homeowners will be able to lower the thermostat.

2. **Schedule an annual heating system tune-up** — Keeping the heating system tuned up is critical for achieving peak efficiency. In fact, annual tune-ups can reduce energy usage by as much as 10%. And it’s a smart idea to tune up the system before listing the home, so that buyers see the system in its best shape.

3. **Install an indirect-fired water heater** — Indirect water heaters use the oil boiler as their heat source. For homes that heat with a boiler, this is a great option that cuts water-heating costs significantly during the fall and the winter.

4. **Upgrade to a new energy-efficient system** — If the existing system in the home is more than 20 years old, your clients can save a ton of money by upgrading to a high-efficiency heating oil system. Average savings can be anywhere from 20% to 30% each year, and in some cases even more!

For additional tips and suggestions to help your clients make their homes more energy efficient, visit [OilheatPros.com/md-de](http://OilheatPros.com/md-de) and order our FREE Energy Efficiency Guide today!

**Bioheat® — What does it mean for your clients?**

Most of the heating oil in Maryland is now **Bioheat® fuel**, which you can use as a powerful selling point when you are listing and selling oil-heated homes. It’s made by combining regular heating oil with biofuel, which is a renewable blend of oil from materials like soybeans and vegetables. Bioheat supports more efficient equipment, reduces emissions dramatically and eliminates a primary source of equipment breakdowns. Visit [MyBioheat.com](http://MyBioheat.com) to learn more about Bioheat.
Buying a new home, while fun, can be a daunting task: financial readiness and credit worthiness tend to add stress to the activity. What shouldn’t add stress are obstacles relating to actual or perceived membership of a protected class. For Homeownership Month, Maryland REALTORS® examines two associations that focus on the housing needs of unique communities to see how they create and protect opportunities for the people they represent.

AREAA:
Promoting Sustainable Homeownership for Asian American Communities

Part of Maryland REALTORS® strategic mission is to expand diversity and international programming through partnerships with multi-cultural real estate organizations. One such organization is the Asian Real Estate Association of America (AREAA). AREAA was founded in 2003 to promote sustainable homeownership opportunities in Asian American communities. Like many other professional trade associations, it focuses on education, advocacy, and networking for real estate industry members.

With over 17,000 members in 41 chapters across the United States and Canada, AREAA is the largest Asian organization in North America. The DC Metro chapter is very active and has been integral in moving forward the efforts of the Maryland REALTORS® Global Business and Housing Affordability and Equal Opportunity committees.

This year is especially important for the organization because the U.S. government is conducting its decennial census. Prior to 2016, Asian American and Pacific Islander (AAPI) citizens were aggregated under the “other” category for race. After a comprehensive and hard-fought advocacy campaign, the group was successful in having AAPI citizens recognized as an
independent racial category, to better count and garner resources for those communities.

According to AREAA’s *State of Asia America* report, the AAPI community is the fastest growing demographic segment in the U.S and is on pace to become the largest minority group in the country. This growth translates to tremendous opportunity for both homeownership and economic growth. These opportunities expand exponentially when you consider interest in foreign investment. NAR’s *Profile of International Transactions in U.S. Residential Real Estate* report lists Chinese buyers as the top foreign investors, bringing $13.4 billion to the domestic residential market. In Maryland, over one-third of its immigrants originate from Asian countries. Generally speaking, foreign-born naturalized citizens have higher educational attainment, higher incomes, higher homeownership rates, and purchase higher-priced homes.

Maryland REALTORS® is committed to supporting our diversity/multi-cultural partners. For the past five years, we’ve offered NAR’s *At Home with Diversity* and *Certified International Property Specialist* (CIPS) education courses, the most recent of which was sponsored by the AREAA DC Metro chapter. The chapter also has representation on many of our volunteer committees in addition to our Presidential Advisory Group (PAG), which examines ways of increasing diversity within our leadership. We hope these efforts will serve to support AREAA’s three-point plan to address homeownership challenges in AAPI communities: access to alternative credit, expanded language access, and diversity and inclusion.

For more information on AREAA's membership benefits, events, and homeownership initiatives, please visit [www.areaa.org](http://www.areaa.org).

**NAGLREP: An Association with Pride**

The month of June is notable not only because it’s National Homeownership Month, but also because it is Pride Month—the time to honor and celebrate lesbian, gay, bisexual, and transgender (LGBT) persons and the historical struggles they’ve endured on their path to equality.

The National Association of Gay and Lesbian Real Estate Professionals (NAGLREP) was established in 2007 to support LGBT real estate professionals and by extension, buyers and sellers. The organization has a significant advocacy focus on housing and discrimination and partners with local, state, and national groups to advance its mission and initiatives.

You may have noticed that over time, mentions of the acronym LGBT have expanded to include additional letters such as LGBTQIA+. While NAGLREP’s website and literature refer to LGBT, it is understood that the association supports all sexual orientation and gender

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**First-Time Homebuyer: Educate Thyself!**

Although the methods by which REALTORS® and consumers are transacting business is changing, one thing remains constant: the need for homebuyer education. Most first-time buyer down payment and closing cost assistance programs require participation in a HUD-approved pre-purchase education course to access those funds. While the process sounds simple, it does cause confusion at times.

In Maryland, jurisdictions have different rules about the length and format of these courses, and even whether it must be taken pre- or post-contract signing. These differences spell uncertainty for buyers, REALTORS®, and lenders alike. The best recommendation is to check with the mortgage lender prior to taking a class because programs and incentive requirements can vary—even within the same county.

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continued on page 20
On top of this, the coronavirus pandemic has forced new health and safety protocols, and housing counseling agencies must adapt their programs to comply with restrictions related to Preventing the spread of COVID-19. Many agencies are seeing an increased demand for classes, a result of people being sheltered at home and having more time to complete online education.

Pre-purchase education remains a critical piece of a buyer’s journey towards homeownership. Participants learn about home buying readiness, money management, understanding credit, the mortgage loan application process, shopping for a home and the buying process, and how to avoid default. These topics are presented by real estate industry professionals such as REALTORS®, mortgage lenders, home inspectors, and title company representatives. Upon completion, buyers receive a certificate of completion that is good for one year. Local counselors estimate that about half of their clients already have a relationship with a REALTOR® when they come to class. For that reason, reputable agencies are very careful not to allow REALTOR® presenters to offer a “sales pitch” or engage in self-promotion; these agencies often provide a disclosure to participants that they do not endorse or recommend any particular real estate broker or agent. Maryland REALTORS® suggest that agents develop a relationship with several housing counselors, both to familiarize themselves with the course curriculum and to offer expertise as a trusted resource for real estate information.

Another key component in buying a home is financial readiness. Many housing counseling agencies have expanded their services to include financial coaching, and there are other nonprofit organizations that specialize in assisting consumers with their financial struggles and setting goals. Fostering economic self-sufficiency often leads to home ownership, which can result in stability and wealth accumulation for individuals and families. These services include credit, student loan, bankruptcy counseling, financial coaching, and debt management programs. Frequently, first-time buyers need credit and financial assistance before talking to a mortgage lender. These free and low-cost services aren’t limited to home buyers—they’re appropriate for and available to anyone in need. In fact, with job losses and adverse economic impacts from the recent coronavirus pandemic, they may be more critical than ever.

Maryland REALTORS® is pleased to have partnered with a statewide coalition to increase awareness about the importance of homebuyer education. For more information, please visit www.ownyourfuturemd.org.

identity cultures (including those who identify as Queer, Intersexual, or Asexual), and their allies. With chapters in half of the states in the U.S. and dozens of national corporate partners, NAGLREP represents a significant force in the housing market.

Each year, the organization publishes the LGBT Real Estate Report, which provides a snapshot of homeownership trends and economic impact. While a large percentage of LGBT renters are interested in buying a home, their homeownership rates fall below the national average; almost 50 percent fear discrimination in their future home buying plans. Sadly, these concerns have grown in recent years: studies have shown that same-sex couples face higher levels of loan denials and pay more in interest and fees.

Like many real estate professional trade associations, NAGLREP hosts an annual national conference, a housing policy summit in DC, and many local chapter events. Maryland has a Central Maryland chapter, and Maryland REALTORS® is pleased to have partnered with the chapter on homeownership events through our Housing Affordability and Equal Opportunity committee. Chapter representatives have been instrumental in moving forward diversity, equity, and inclusion initiatives and crafting future programs to ensure we are meeting the needs of all REALTOR® members and the communities they serve.

For more information about NAGLREP and its mission, visit www.naglrep.com.
Get Involved!

Enhance Your Career
As You Bolster An Industry

Volunteer—and make an impact on 2021

Maximize your membership and volunteer your expertise to a 2021 committee. Visit www.mdrealtor.org/volunteer today!

Your fellow REALTORS® need your talents, your energy, and your ideas to serve on committees at the state level. Volunteering is a great way to network, learn more about the Association and the industry, and enhance your personal and career skills.

Are you creative? The Conference & Events Program Advisory or Communications and PR committees would be perfect for your talents. Learn more about marketing, meeting planning, and customer focus.

Love politics? The Legislative Committee and Public Policy committees guide the Association’s public policy and advocacy work at the State House. Learn more about lobbying, public speaking, and networking.

Passionate about affordable housing issues? Check out the Housing Affordability and Equal Opportunity committee. Learn more about community service and collaboration.

We have over 20 committees that need your talent and passion to move the work of the Association—and your fellow REALTORS®—forward.

WHY PARTICIPATE?

Volunteer contributions make it possible for Maryland REALTORS® to fulfill our mission and advance the REALTOR® profession at the state level. We are currently seeking dedicated members to serve on our committees beginning October 1, 2020 through September 30, 2021.

Volunteer committees assist in identifying industry issues, help preserve the right to own, transfer, and use real property, as well as participate in the work of Maryland REALTORS® in partnership with staff. With an investment of your time and energy, volunteering provides a unique opportunity to develop new and marketable skills while also enhancing your industry relationships.

HOW TO PARTICIPATE

To find an opportunity that interests you visit www.mdrealtor.org/volunteer. Look at the committees listed on that page to see which one may best serve your interests. On this page, you will find an easy application that helps us to learn more about how you would like to make an impact. Please be aware: some committees have prerequisites.

Your responses will be carefully considered to help us find the right committee for you. If you applied last year and were not seated on a committee, we encourage you to apply again this year.

If you are a current Maryland REALTORS® committee member and wish to remain on your current committee for 2019–2020, you must complete the Volunteer Request form to indicate your continued interest in volunteering.

HURRY! The deadline for all applications is Monday, July 1, 2020.

www.mdrealtor.org
The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed into law on March 27, 2020. The $2 trillion economic relief package included stimulus checks for individuals, relief programs for businesses, and temporary mortgage forbearance for homeowners with federally backed mortgages.

The CARES Act authorizes homeowners to request a mortgage forbearance of up to 180 days, with the right to request an extension of up to an additional 180 days. The homeowner is required to sign a document attesting or certifying that they are experiencing financial hardship as a result of the COVID-19 crisis. Once the homeowner requests forbearance, the servicer is required to grant it. Other than the certification or attestation, homeowners are not required to submit any supporting documentation to validate financial hardship.

The speed with which the CARES Act was passed, as well as its strong bipartisan support, was certainly impressive. One important detail which may not have been clear to homeowners is that “forbearance” of mortgage payments is not the same as “forgiveness” of mortgage payments. As a preliminary matter, anyone who is experiencing COVID-19 related financial distress and needs a mortgage forbearance should request one. Millions of Americans experienced unemployment, reduced hours, reduced income, or temporary furloughs. This article is not intended to discourage anyone who is able to benefit from a temporary forbearance from obtaining one. Rather, we want to start looking forward, so those who have obtained a forbearance have a better understanding of what options may be available and what role REALTORS® can play as this crisis resolves.

Remember, too, that you are not attorneys, tax advisors, or short-sale negotiators. Please remain vigilant about not exceeding the scope of your license. Although the current challenges are not identical to those the industry faced in 2008, licensees should be aware of guidance issued by the State of Maryland explaining what licensees can and cannot do when representing a client who may be experiencing financial distress. On page 24, Mark Feinroth, our Director of Political Advocacy answers questions with insight from the Maryland Real Estate Commission.

The first option available to a homeowner who has obtained a forbearance and wishes to remain in the home is to reinstate the loan, or bring it current, at the end of the forbearance period. This means that the payments may be delayed, but they are not forgiven. At the end of the forbearance plan, servicers are required to inform borrowers of the following options:

- The mortgage loan must be brought current through a reinstatement
- The borrower is approved for another workout option (such as a loan modification)
- The mortgage loan is paid in full; or
- The servicer refers the mortgage loan for foreclosure, in accordance with applicable law.

As a preliminary matter, anyone who is experiencing COVID-19 related financial distress and needs a mortgage forbearance should request one. Millions of Americans experienced unemployment, reduced hours, reduced income, or temporary furloughs. This article is not intended to discourage anyone who is able to benefit from a temporary forbearance from obtaining one. Rather, we want to start looking forward, so those who have obtained a forbearance have a better understanding of what options may be available and what role REALTORS® can play as this crisis resolves.

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The first option available to a homeowner who has obtained a forbearance and wishes to remain in the home is to reinstate the loan, or bring it current, at the end of the forbearance period. This may be a good option for someone whose income was significantly reduced for a few months but

One important detail which may not have been clear to homeowners is that “forbearance” of mortgage payments is not the same as “forgiveness” of mortgage payments.
then had a large increase, sufficient to pay the months that had been “skipped,” plus accrued interest. The longer the forbearance period, of course, the more difficult this may be to achieve. It is extremely difficult for someone who has been unable to pay their monthly mortgage for six, nine, or 12 months to suddenly have the ability to come up with funds sufficient to make all of those payments, plus interest, in a lump sum. Bearing this in mind, if the homeowner can make a reduced mortgage payment each month for the duration of the forbearance agreement, it will be easier for the homeowner to reinstate.

If reinstatement is not a viable option, a homeowner who wants to remain in the home should discuss other options with the servicer. Options may vary but would generally include a repayment plan (the delayed or reduced mortgage payments would be repaid to the lender over a period of time—generally 12 months or less—in addition to the regular monthly mortgage payment); a loan modification (the delayed payments are added to the end of the mortgage term, thus extending the term of the mortgage; or, depending upon the type of loan, the delayed payments may be structured as a second lien, due upon sale or refinancing of the home).

The next option available is for the loan to be paid in full. Typically, this would involve either a refinance of the loan or a sale of the property. A homeowner who has obtained a forbearance, however, may have a difficult time qualifying for a refinance. Although the CARES Act prohibits servicers from reporting the delayed payments to credit bureaus, loan originators and underwriters have access to additional information, which will show that payments were not made, clearly impacting the borrower’s ability to refinance their mortgage.

The final option is that the loan be referred for foreclosure. For those who didn’t experience distressed property sales in the years 2007 to 2009, now might be a good time to familiarize yourself with this topic. While a variety of factors may come into play, some homeowners may come to a point where they can no longer continue to make their mortgage payments and remain in their home. Depending upon how far along they are in the process, they may reach out to you for assistance in selling their home. In the best-case scenario, where homes have maintained or even appreciated in value and inventory remains low, this could be a “typical” sale. In the not-best case scenario, this could be a race to sell the property before the foreclosure auction. If home values are depreciating, or if a lengthy forbearance resulted in the homeowner owing more than the home is worth, you may need to assist your seller client with a short-sale transaction. On page 25, Senior Staff Attorney Colette Massengale covers the details of the short sale. In a short-sale transaction, the amount of money required to satisfy all mortgages, liens, and judgments exceeds the amount available to pay the lender, requiring the lender to agree to accept a “short” amount, meaning an amount that is less than the total mortgage indebtedness.

Finally, let’s not forget investor clients and those who are patiently seeking a bargain. While a property that is sold at foreclosure (called an “REO,” if purchased by a bank) or as a short sale is a crisis for the homeowner, it can also be a great opportunity to investors or other buyers who have a willingness to purchase a home that may require cosmetic or significant improvements. A buyer who rehabs and improves a home can help to 1) stabilize or improve home values within a community; 2) improve (possibly) community safety by reducing the number of vacant or blighted homes; and 3) improve the economy by hiring licensed contractors and service providers to rehab the home. On page 26 Staff Attorney Reese Lesko dives deeper into additional short sale details to keep in mind.

Your license requires you to act in your client’s best interest. If your client’s intention is to keep the home, you should encourage her or him to speak with the servicer or a housing counselor. If, however, your client intends to sell the home, your knowledge may allow you to ease some of your client’s concerns in what could otherwise be a challenging transaction.
What advice and guidance has the Maryland Real Estate Commission (MREC) provided to licensees involved in short sale transactions?

The 2008 U.S. Financial Crisis involved both a sudden downturn in housing values and a liquidity shortage among banks, credit unions, and mortgage lenders. As a result, Maryland real estate agents were called upon to assist distressed sellers unable to sell their homes at prices to release all liens on the property. In response, Congress and the Maryland General Assembly enacted laws governing short sale and foreclosure rescue services. In Maryland, MREC and the Division of Financial Regulation published guidance to assist licensees in their compliance with new laws and regulatory initiatives. MREC published two documents: “Guidance for Licensees in Short-Sale Transactions” and “Short Sales and Real Estate Licensees.” You can find these documents at https://bit.ly/MDRJJ20.

Generally, the MREC guidance advises a real estate agent to list a short sale property and note that third-party approval will be required. Agents should take care not to disclose confidential information, such as the nature of the seller’s distress. Similarly, agents should not attempt to negotiate with lenders as to loan deficiencies and relocation allowances. The real estate agent should refer the seller client to a qualified and appropriately licensed individual to provide advice on tax, legal, and credit implications of a short sale.

Can you provide specific guidance on what a licensee can and cannot do when representing a client in the sale of a distressed property?

The real estate agent should never represent to a short-selling client that the agent can save the owner’s home or stop a foreclosure. Maryland law expressly prohibits any transaction in which the agent takes an ownership interest in the home with a promise to rent back to the owner and allow the owner to repurchase after making rent payments for a number of years. Substantial disciplinary penalties and guaranty fund awards were dispensed by MREC. In one such case, the licensee was found to have misled three clients into signing over their homes to the licensee as a technique to avoid foreclosure. The agent was penalized with a one-year license suspension and was required to reapply to MREC in order to reclaim his license. The three consumers were each awarded $25,000 payments from the guaranty fund. The licensee was required to reimburse the guaranty fund for those payments for a total of $75,000.

On page 27, you will find a list of short sale “Do’s and Don’t’s” from the Maryland Real Estate Commission.
Handling the Short Sale Transaction

BY COLETTE MASSENGALE
SENIOR STAFF ATTORNEY

It has been awhile since I worked with a seller in a short sale transaction. What can I do to ensure I cover all the bases? What addenda do I need to include with the listing agreement and contract of sale?

Let’s begin with what should be included with the listing agreement. When putting together the listing package, be sure to include the Short Sale Addendum to the Exclusive Right to Sell Residential Brokerage Agreement. Review the terms of this Addendum with the seller. Note that Paragraph 1 defines what a short sale is and serves as an acknowledgement that the transaction is, in fact, a short sale. Paragraph 2 explains that the contract of sale has to be approved by the seller’s lender. Paragraph 5 gives the listing broker/agent the authority to communicate, not negotiate, with the lender. Paragraph 6 enables the listing broker/agent to submit documents on behalf of the seller to the lender. Additionally, Paragraph 8 gives the listing broker/agent the authority to disclose the existence of a short sale to prospective buyers and cooperating brokers/agents.

Another Addendum you may want to consider including in the listing package is the Financial Condition of Property Disclosure Addendum to the Exclusive Right to Sell Residential Brokerage Agreement. Please note: the fact that it’s a short sale does not automatically mean that the seller is behind on the mortgage.

You will also want to review Bright MLS’s regulations concerning short sale transactions. Bright MLS requires the listing broker/agent to disclose potential short sales when reasonably known to the listing broker/agent. If you have any additional questions, you should first speak with your office manager or broker. You can also contact Bright MLS’s Accuracy and Policy Department at (301) 838-7140 or email accuracyandpolicy@brightmls.com for more information.

Before discussing addenda to be included as part of the contract of sale, consider the following. In our view, the preferred method of dealing with a short sale transaction is to treat third-party approval as any other contingency.

In other words, the seller would accept an offer contingent upon third-party approval. Legally this is no different than any other contingency, such as financing or home inspection. Performance on the part of the buyer and the seller is conditioned upon receiving approval from the seller’s lender. Other offers should not be accepted once the buyer and the seller have entered into a contract of sale unless they are accepted as back-up contracts.

The seller will want to include the Short Sale Addendum. Note that the terms of the Short Sale Addendum supersede any conflicting language in the contract of sale. Paragraph 1 is the acknowledgement that it is, in fact, a short sale. Paragraph 2 includes the third-party approval contingency for the seller’s lender. Paragraph 3 informs the seller that the third party may request additional terms be added to the contract of sale. If a third party requests that additional conditions be added to the contract of sale, the seller must notify the buyer of such conditions, and the buyer must agree in writing to the additional terms. If either party does not agree to the additional conditions, they are not binding upon the parties, just as in a typical transaction. Paragraph 5 explains what happens if third-party approval is not obtained within the time frame specified. If the seller does not receive third-party approval within the timeframe specified, either party may terminate the contract of sale.

In our view, the preferred method of dealing with a short sale transaction is to treat third-party approval as any other contingency.

www.mdrealtor.org

MARYLAND REALTOR® JUNE / JULY 2020 25
I hear that some Real Estate Agents are working as Short Sale negotiators. Is this allowed?

No! Real Estate Agents are only authorized to offer real estate services only and cannot assist the buyer with negotiations with their lender. Title companies are also precluded from being a short sale negotiator or collecting any additional fees associated with the short sale. The only exception to this rule is if there is an independent law firm associated with the title company, and the attorney acts as the negotiator. Per the Maryland Department of Labor and Licensing, please check the “Dos and Don’ts” of short sales on the following page.

Will there be any additional documents that need to be signed at the table if it’s a short sale?

Yes, in most short sales, the Seller’s lender will have additional documents that need to be signed. Most of the time these documents are required to be signed by the seller, the buyer, and both agents. Therefore, you want to keep this in mind if the seller is signing in advance or at a separate location. Some of the documents include, but are not limited to, a Short Sale Affidavit, and an Arm’s Length Affidavit.

My client has stated that there may be a lien or other mortgage on the property. How does that affect the short sale?

Sometimes if a property is encumbered by more than one mortgage or lien, the bank will not be willing to accept a short sale offer. However, if there is enough value in the property for the lender to still recover most of its principal balance, the lender may approve the transaction. Typically, once the first mortgage holder has

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**Short Sale and REO Q&A**

**BY REESE LESKO STAFF ATTORNEY**

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approved the short sale, the second mortgage or lien holder will also need to approve the sale. The second lien holder will either agree to write off the balance of the loan or take a nominal payment. A lien holder may also agree to take pennies on the dollar or release their right to collect any proceeds of the sale. This process can be lengthy due to the number of parties involved.

What do I need to know about an REO/Bank-Owned properties?

When a bank has completed a foreclosure, the title then passes to the Substitute Trustees. The Substitute Trustees are typically the attorneys that completed the foreclosure. As one of the first steps in the foreclosure process is to record a Deed of Appointment of Substitute Trustee, this substitutes the foreclosure attorneys in place of the original trustees named on the Deed of Trust. The Substitute Trustees may deed the property to the bank so that they appear as the seller, or the bank may wish for the Substitute Trustees to remain in title until the time of sale. The bank will likely make no repairs to the property unless it affects the safety of the property. Communication with the bank will be through the Listing agent and the Listing Agent may have limited ability to communicate with the bank and may be required to communicate through an asset manager. It is not unusual for it to take several days to get a response from the bank to even the simplest of questions. The bank will likely pre-sign all the documents before the settlement, so the seller will likely not attend settlement. Generally, the listing agent doesn’t appear at the closing either. The bank may also require additional documentation to be signed at the table; this will vary based on the bank.

Sometimes if a property is encumbered by more than one mortgage or lien, the bank will not be willing to accept a short sale offer.

Short Sale Dos & Don’ts*

**DO**

A real estate licensee:

- May conduct a Comparative Market Analysis (CMA), which an out-of-state lender/servicer may refer to as a Broker’s Price Opinion (BPO).
- Must refer a client to an individual licensed under the Credit Services Businesses Act, or otherwise exempt under that law, to negotiate on issues such as deficiencies and relocation allowances as soon as those issues arise. The licensee may serve as a conduit of information from the MCSBA licensed individual to the seller, but may not negotiate on those issues with the lender/servicer.
- Must refer a client to an accountant to explain to the seller the potential income tax consequences of a short sale and the applicability of the Mortgage Forgiveness Debt Relief Act of 2007.
- Must refer a client to a housing counselor for discussions about alternatives available to avoid foreclosure. Free housing counseling is available through the Maryland HOPE Program at 1-877-462-7555.
- Must refer any requests from the lender/servicer for reductions in real estate brokerage commissions on a short sale to the licensee’s broker.

**DON’T**

A real estate licensee may not:

- Collect any monies in addition to the real estate brokerage services commission from a client unless the licensee holds an additional license under the MCSBA.
- Assist a seller in negotiating with the lender/servicer to obtain a loan modification or a promissory note for the deficiency amount, or to otherwise prevent foreclosure.
- Use direct mail solicitations or advertisements targeted to a homeowner in default (or imminent default or “underwater” on the mortgage) that indicate that the licensee (1) can assist in preventing foreclosure; (2) is an “expert” in short sales; (3) can arrange refinancing; or (4) will contact creditors on the owner’s behalf.
- Make representations to a homeowner that the licensee can save the owner’s home, stop foreclosure, or obtain a short sale.
- Provide advice to a homeowner regarding the benefits of a strategic default.
- Predict or suggest credit score consequences of one loss mitigation strategy over another.
- Make any predictions with regard to the likelihood of the waiver of deficiency judgments or the payment of relocation costs in a short sale.

*Adapted from Short Sales and Real Estate Licensees, Maryland Real Estate Commission. To view online, visit https://bit.ly/MDRJJ20-27.
Just When It was Going to Get Good

Pandemic snuffs out what would have been a brilliant spring

BY ANIRBAN BASU SAGE POLICY GROUP, INC.

It was set to be fabulous. With job growth surging, mortgage rates low, Millennials coming of age, winter fading, and more sellers looking to take advantage of expanded home values, the spring of 2020 was set to represent a period of dazzling activity for Maryland’s REALTORS®. While it is true that the inventory of unsold homes remained low, constraining time spent at settlement tables, a booming stock market had persuaded a growing fraction of Baby Boomers that now was the time to move to a different place and property, freeing up homes in the process.

Remember a little more than a year ago, when the largest economic obstacle at the time was the lengthiest federal government shutdown in the nation’s history? That late-2018/early-2019 shutdown took much of the momentum out of Maryland’s economy, and it wasn’t until the summer of 2019 that that recovery was restored. But by the onset of 2020, Maryland’s economy was in full bloom, with statewide unemployment dipping below the national average to 3.3 percent.

Then came a supply shock unknown in modern times. The ongoing COVID-19 pandemic has brought much of the economy to a screeching halt, undone much of the good accomplished during the lengthiest expansion in American history, and wreaked havoc on household balance sheets and confidence. While home sales continue to transpire, social distancing directives render every appraisal, inspection, repair, and closing more challenging.

Maryland will Fare Better, Economically, than Many Others

It is too soon to tell how Maryland will fare from the perspective of public health outcomes. Like residents of some of the earliest hotspots like New York City and Seattle, many Marylanders live in densely populated areas. Though
Maryland has been a leader in promulgating social distancing measures, the state’s citizenry remains vulnerable as demonstrated by breakouts in some of the state’s skilled nursing facilities as well as in areas such as Northwest Baltimore. Prior to the crisis, about 2,600 Marylanders filed for unemployment during a typical week. During the week ending on April 4, more than 108,000 Marylanders filed for unemployment. Between March 15 and April 11, nearly 297,000 Marylanders have filed claims, significantly more than the total number of claims filed statewide in 2019.

The good news is that the structure of Maryland’s economy will render it less susceptible to economic decline than many other states. While Maryland will participate in the recession, its large federal government, federal contracting, healthcare and life sciences sectors are likely to prove more resistant to collapse than many private, for-profit segments. Additionally, evidence from the state’s housing market showed that while the pandemic is sure to have a negative impact, it entered with significant momentum.

**Housing Market on the Rise Before COVID-19**

Housing data supplied by Maryland REALTORS® indicates the presence of a robust housing market during the three-month period leading up to the outbreak. In January 2020, year-over-year home sales were up 10.6 percent. Montgomery County experienced a 12.4 percent increase in the number of units sold. Baltimore City and many of its surrounding areas also registered sharply higher home sales, with the City experiencing a 16 percent increase and Anne Arundel and Howard counties racking up increases of 16.3 and 31.9 percent, respectively.

Between February 2019 and February 2020, home sales were up two percent statewide, and then were up three percent year-over-year in March. Home values continued to climb, with average home sales prices up 9.3 percent in Maryland on a year-ago basis in March. Median price was up nearly 9 percent. The sturdy housing market continued to chip away at the supply of homes measured in months of inventory, with statewide inventory down to two months by March 2020. These numbers
help to characterize the dynamic status quo as it was prior to the pandemic’s onslaught.

What’s in Store Post COVID-19

Data yet to come will characterize both the interruption to second quarter 2020 housing market activity and the impact of the eventual recovery. While the initial stage of recovery from the current downturn in certain sectors will be sharp as people return to work and the economic engine restarts, it will also be incomplete. Complete recovery from the recession will likely take years.

One of the reasons for this is that state and local government budgets are now under severe pressure. With retail sales, hotel, and income tax revenues declining, many state and local governments are now experiencing the emergence of massive gaps in their budgets, which must be balanced each fiscal year. There will also be many empty storefronts, fewer occupied apartments and office suites, and a diminished tally of employers available to jobseekers once the pandemic has passed.

The good news is that more stimulus is likely on the way. To date, there have been three stimulus bills passed by Congress—Phase 1 was an $8.3 billion bill in support of coronavirus vaccine research and development; Phase 2 was a roughly $104 billion package focusing on supplying paid emergency sick leave for some workers; and Phase 3 is the $2.2 trillion stimulus. Funds created to support small businesses and other economic actors ran out quickly, likely inducing Congress to craft a fourth stimulus package—one that looks much like the most recent stimulus bill passed, with additional funding. A fifth package, one focused on investments in infrastructure, also seems probable.

Due to its proximity to the nation’s capital, as well as the numerous government agencies located within the state, Maryland should benefit from an active federal government seeking to pump out more services, research, and financial wherewithal to Americans. But there may be a period sometime in the future when Maryland’s economy stumbles as the federal government begins to earnestly address its debt and deficit demons.
Maryland REALTORS® takes great pride in awarding industry honors to outstanding REALTORS®. Recognition is a positive reward for a job well done. It is vital that we honor those individuals who have given outstanding service to the real estate industry and the local boards/associations. The awards will be presented during the Annual Installation and Awards Gala in Annapolis on September 25, 2020.

To qualify, complete the appropriate applications, or to learn more about each award, please visit: mdrealtor.org. All forms may be completed and submitted online to Maryland REALTORS®.

The Maryland REALTORS® Community Service Award—honors individual REALTOR® members who give unselfishly of their time to assist the communities in which they live. Individuals can apply directly to Maryland REALTORS® and there is no limit to the number of entries submitted by local boards/associations or firms for this award. All nominees submitted to local boards/associations must be submitted to Maryland REALTORS®.

**DEADLINE: JUNE 30, 2020**

The Community Action and REALTOR® Excellence (CARE) Award—This award is given to local board/associations recognizing achievements in community service and charitable actions. The award is designed to raise the profile of REALTORS® and the REALTOR® organization by focusing on boards or associations that have demonstrated an extraordinary record through direct local board/association community service involvement and to include endeavors by REALTOR® members who are part of a local group, team, office or individually.

The Award will be divided between a large board/association (1,000+ members) and a small board/association (fewer than 1,000 members) beginning June 1, 2019 through May 31, 2020.

**DEADLINE: JUNE 30, 2020**

The REALTOR® of the Year (ROTY) Award—One ROTY application is required to be submitted by each local board/association to be entered in the Maryland REALTORS® competition. The winner of the state award will travel to National Association of REALTORS® (NAR) Annual Convention for consideration in the national award. This award is submitted directly by your local board/association for consideration.

**DEADLINE: CONTACT YOUR LOCAL ASSOCIATION**

Other annual awards include the Lifetime Achievement Award, Omega Tau Rho Fraternity Award, President’s Award, Shining Star Award, and more. For a full list of all the awards given by the association, please visit: mdrealtor.org/Association/Get-Involved/Industry-Awards or call Maryland REALTORS® at 800.638.6425.
Make Plans to Attend the CIPS Institute

“A problem is a chance for you to do your best.”
— Duke Ellington

One thing we can all agree on is that 2020 has not been without problems. The Maryland REALTORS® 2020 Global Business Committee, led by Chair Jan Green and Vice Chair Bayo Oshinnaiye, had plans to conduct several live, in-person events, such as Lunch & Learns, where we could share knowledge, culture, and food with our colleagues.

Although some of those plans have been moved to the back burner for a bit, the Global Business Committee is moving forward on other fronts.

The Committee’s most significant event is the Certified International Property Specialist (CIPS) Institute, taking place October 5–9, 2020. The Greater Capital Area Association of REALTORS® (GCAAR) and the Women’s Council of REALTORS®–Maryland Chapter will co-sponsor the Institute, to be held at GCAAR’s office in Gaithersburg. The CIPS designation is for REALTORS® from the United States and abroad who wish to develop or grow their international real estate business.

For generations, people have moved to the U.S. from other countries to live the American Dream. Immigrants living in the U.S. move from market to market. Many people are interested in investing in property overseas. Obtaining your CIPS designation will provide you with the knowledge, research, network, and tools to globalize your business and to adapt to new challenges while also taking advantage of new opportunities. The instructor for the CIPS Institute will be Azizali Kanjee, president and broker of record at IPB Group in Ontario, Canada. Recently Kanjee was recognized as one of the “Top 100 People in Real Estate.”

The Global Business Committee looks forward to working with the Asian Real Estate Association of America (AREAA) and the National Association of Hispanic Real Estate Professionals (NAHREP) as we finalize plans for the CIPS Institute. We’re looking forward to seeing you in October. Find out more in “Breaking into the Foreign Market” on the left.

Kathleen Dartez, Esquire, Maryland REALTORS® Director of Legal Affairs
Maryland REALTORS® 2020 Annual Commercial Real Estate Symposium Rescheduled

With all of the event cancellations and rescheduling caused by COVID-19, it should not come as any surprise that we needed to reschedule the Maryland REALTORS® 2020 Annual Commercial Real Estate Symposium, originally scheduled for early May at the Live! Hotel and Casino in Hanover.

But there’s good news! The symposium has been rescheduled for September 10, 2020, at the Live! Hotel and Casino. Of course, we will follow federal and state regulations about gatherings in effect at that time, while also heeding the advice from medical and science experts. While it is hard to say where the pandemic will be four months from now, the possibility exists that we may still need to cancel the 2020 Symposium and opt instead to move forward with an event in 2021. In the meantime, though, we are keeping a positive and proactive mindset. This column will provide a preview of what to expect.

First, who should attend? The program includes topics of interest to seasoned commercial real estate practitioners as well as residential agents who are thinking of moving into the commercial arena. Residential agents who simply want to know a little more about commercial real estate—to converse with clients who have commercial real estate needs and to refer those clients to a commercial agent—may wish to attend.

The theme for this year’s symposium is “MARYLAND: Betting on the Future,” which as chosen by the Commercial Alliance Committee prior to the pandemic. While predicting the future may pose more of a challenge now, it is more essential than ever to provide the most useful information available to make sense of where we’re headed next.

You can use the Symposium to obtain continuing education credits; the Symposium is a full-day event and offers six hours of continuing education credits. As in years past, we have included a commercial agency class for attendees. Did you know that agency rules for commercial real estate transactions differ from agency laws applicable to residential transactions? Agency laws found in the Maryland Broker’s Act specifically state they apply only to residential transactions. Agency rules regarding commercial transactions are governed by common law. While agents can easily schedule residential agency classes, commercial agency classes are given across the state with much less frequency. This, then, is an opportunity for commercial practitioners to take the class, as required, at least once every license cycle.

If you took last year’s Commercial Agency class and want something different, consider the Negotiating Class to be taught by Byron Smith, a popular CCIM instructor. Other topics for the Symposium will cover environmental and title insurance aspects of the diligence process and a panel discussion on the future of development in Maryland.

Making the Symposium even more of a stand-out is our introduction of a “deal exchange,” structured to facilitate matching attendees’ listings with other attendees’ clients’ wants and needs.

Because of the draw and popularity of our Symposium, sponsorship opportunities are available for every budget. Sponsorship benefits include recognition in all advertising and marketing materials as a sponsor of the event, the opportunity to host a table at the event to display products and services, and the opportunity for a brief presentation at the event (specific benefits depend on sponsorship level). For more details on sponsorship levels and benefits, please email sandi.frazer@mdrealtor.org.

Hedy Nelson, Esquire, Maryland REALTORS® Commercial Symposium Subcommittee Chair
Invest in Yourself through Education

Even though we live in a time of uncertainty, there are things you can do now that will help you later when we reach the other side of this pandemic. The act of learning, for example, represents an investment in the “future you.” And, given the time all of us are spending in our homes, online learning can serve as a proactive way to move your career forward, despite the present lull. Consider taking a new designation or certification program through NAR or one of its institutes, societies, and councils. These programs offer national recognition, and many are available online via NAR’s Center for REALTOR® Development (CRD) at www.onlinelearning.realtor.

If you’re interested in global training, consider CIPS classes. If you have an interest in property management, CRD offers IREM courses. If you specialize in residential property, there are numerous CRS classes available online as well. Many other specialties such as seniors, resorts, military, and others are available online through CRD. Also, if you haven’t already starting your C2EX journey—a free, award-winning, learning program offered through the NAR—now is an excellent time. Consider expanding your knowledge in an area you aren’t as familiar with, to gain knowledge and help your business grow.

Beyond REALTOR® education, why not consider educating yourself so that you’re more fluent in platforms that can impact your business: creating and editing videos, social media best practices, maybe even virtual reality. Learning about the technologies that are available to us all could benefit your business and your work with your clients. If you look around, you may find resources available via social media by prominent and knowledgeable members, instructors who offer their training directly or through partnerships with others, such as your firm or your local, state, or national REALTOR® associations, and other allied entities in the industry. And don’t forget the power of “googling” a topic to see what choices are available to you.

Additionally, when you go to the NAR site, you’ll find resources by specialty: videos, podcasts, blogs, and publications that can provide useful insights and resources to help keep you current on industry trends.

Check out the links below for additional resources.
NARCD: www.onlinelearning.realtor
RPR: blog.narrpr.com/workshops/
The CE Shop: bit.ly/MDRCEShop
NAR Institutes, Societies & Councils: bit.ly/MDRJJ20-34

Lisa Kinsman, Maryland REALTORS® Director of Education
Maryland REALTORS®
GRI Program

The GRI (Graduate, REALTOR® Institute) Designation is a National Association of REALTORS® (NAR) nationally recognized designation which is administered through state associations. The Maryland program consists of 72 hours, broken into two 36-hour Series (i.e. Series 100 and 200). Series 100 and 200 can be taken in any order and can be taken anywhere within Maryland to suit your personal calendar. Series 100 & 200 are comprised of 6 6-hour modules. Each module may be taken independently.

Class topics range from fair housing, agency, finance, business development, ethical conduct and laws affecting business practice and procedures to strengthen your skills and your business for a well-rounded real estate foundation.

You have 5 years to complete the 72-hour program (Series 100 and 200) to obtain the designation.

Maryland REALTORS® offers the additional Series 300 & 400 for those interested in pursuing their broker’s or associate broker’s license. Series 300 & 400 consist of 4 days each. Completion of Series 100–400 will meet the education requirements to sit for the broker/associate broker’s exam.

It’s never been a better time to sign up for GRI! See the Maryland REALTORS® course offerings below. To register visit mdrealtor.org/education/programs/realtor-institute-GRI.

**LOOK WHAT YOU GET—**

- Nationally recognized credibility
- Professional speakers
- Continuing education credits
- Increased knowledge, skill and professionalism to better serve customers and clients
- Increased income potential
- Sets you apart from the competition
- Increased visibility toward your commitment to provide superior professional services
- Educational credit toward Maryland’s Broker or Associate Broker’s license

Earn your GRI – Work Smarter, Not Harder! NO Annual Dues!

**SERIES 100**
Maryland REALTORS® — Annapolis
800-638-6425
September 2, 3, 11, 17, 18 & 24, 2020
Cecil County Board
410-398-4844
August 28, September 9, 16, 23, 20, October 7, 2020

**SERIES 200**
Maryland REALTORS® — Annapolis
800-638-6425
October 1, 2, 20, 22, 27 & 29, 2020
Coastal Association
410-641-4409
September 14, 15, 21, 22, 28 & 29, 2020

**SERIES 300**
Maryland REALTORS® — Annapolis
800-638-6425
October 6, 7, 13 & 14, 2020

**SERIES 400**
Maryland REALTORS® — Annapolis
800-638-6425
November 10, 12, 17 & 19, 2020

To learn more, go to mdrealtor.org/Education/Programs/Realtor-Institute-GRI or scan this QR code.
Happy Homeownership Month from the Maryland Department of Housing and Community Development and the Maryland Mortgage Program (MMP). The past few months have been difficult for the housing industry, but MMP is here for you. We are committed to making homeownership affordable for all Maryland residents. The MMP team would like to thank all REALTORS® who stepped up to the plate in response to COVID-19.

Every June, we celebrate the American dream of homeownership. Stable, informed, and invested homeowners form the foundation for thriving communities across Maryland and our nation. National Homeownership Month offers us a chance to reflect on how we can get Marylanders into the home they’ve always wanted. The biggest barriers to entry include student debt, sufficient funds for down payment, and high interest rates. The Maryland Mortgage Program has specially designed products that aid in each of these categories.

Below you’ll find a list of MMP products that are the most effective in removing these barriers to homeownership:

- **1st Time Advantage Direct**: No down payment assistance, but offers an extremely low interest rate, often below 3%.

- **MD SmartBuy**: A special initiative supported by Governor Hogan, MD SmartBuy rolls up to 15% of the home purchase price into a forgivable loan for the borrower to pay off their outstanding student debt (maximum payoff of $40,000).

- **MMP 1st Time Advantage 3% DPA Loan**: Comes with down payment assistance equal to 3% of the first mortgage while still maintaining a low interest rate on the first mortgage.

For the past several months we have engaged in a conversation with you on social media. We know that maintaining a social media presence is a critical marketing strategy for real estate professionals and encourage you to leverage your efforts with ours. We’ve developed a social media toolkit which allows our partners to download an image as well as content to make an MMP branded social post. Find it here: [https://mmp.maryland.gov/Lenders/Pages/SocialMediaTools.aspx](https://mmp.maryland.gov/Lenders/Pages/SocialMediaTools.aspx).

Follow us on social:

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- [instagram.com/marylandMMP/](https://www.instagram.com/marylandMMP/)
- [twitter.com/marylandmmp](https://twitter.com/marylandmmp)

Matthew Heckles  
Assistant Secretary  
Maryland Department of Housing and Community Development  
mmp.maryland.gov  
singlefamilyhousing.dhcd@maryland.gov  
1-800-756-0119
The past few months have been difficult for the housing industry. We are committed to making homeownership affordable for all Maryland residents, especially during these trying times. Our programs offer a range of benefits to help:

**1ST TIME ADVANTAGE 3% LOAN**
*Best down payment assistance*

**MARYLAND SMARTBUY**
*Student Debt-Relief*

**1ST TIME ADVANTAGE DIRECT**
*Best Interest Rate*

Learn more about how our programs can help you sell more:

[mmp.Maryland.gov/Realtors](mmp.Maryland.gov/Realtors)

@MarylandMMP
For many the journey to homeownership has likely looked a lot different than expected due to the closures and restrictions that started in the middle of the spring market. Bright worked quickly to ease certain restrictions, offer virtual solutions, and provide information on the tools real estate professionals needed to move their business forward and continue to make homeownership a reality for their clients.

That is why Bright MLS exists: to help move your business forward and provide the tools and information you and your clients need today and into the future. Here are six of those tools that help make homeownership possible.

Virtual Showing Solutions. Bright offers several virtual options when you are not able to show a property in person. Search for a virtual open house within the MLS, request a virtual showing through ShowingTime, or provide your client with “anytime” access to a listing using a Virtual Tour.

Client Portal. The Client Portal is a personalized website where your clients can see and track everything you send them from Bright. It is a collaborative online space for you to share listing information and stay organized. View which clients recently visited your portal, favorited a listing, left notes for you, and more.

Mortgage information through RatePlug. “But can I afford it?” is the most basic question in the home buying process. With RatePlug, you can provide your client with monthly payment information from a lender you know and trust on the listings you’re sharing from Bright.

Buyer Closing Cost Tool. You may think of creating a closing cost when your client is ready to make an offer, but the affordability of closing is important from the beginning of the home buying process. Find a home within their preferred area and price range and create a cost estimate to share the amount of money they will likely need to bring to closing.

DriveTime Search. Buying a home is a big commitment. Make sure your clients understand every aspect of the home they are considering by searching in minutes, not miles. DriveTime search allows you to enter the time of day and location(s) your buyers travel on a regular basis. You can also see the typical area that falls within their preferred commute time.

Homesnap Pro. Good fences make good neighbors. Help your buyers know where a property they are considering begins and ends with the property lines feature in Homesnap Pro. You can invite your clients to search for listings on their mobile device, communicate with you directly inside the app, mark listings as favorites, and more. The app also offers many other client collaboration and agent-to-agent features as well.

To learn more about these features and other Bright resources, visit www.brightmls.com/news or request a call with your Customer Success Coach at www.brightmls.com/coaches.
Join the LARGEST Independent Brokerage in Maryland

100% Commission on 2 Sales – (3% of $300,000) x 2  $18,000
Monthly Broker Fee (No Agent Transaction Fees)  - $49
Your Monthly Income  $17,951

- Commission paid same day as settlement
- Full broker service
- Seminars by industry leaders
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Finding Opportunity in the New Normal

I want to thank my coworkers at Maryland REALTORS® for being the most skilled and knowledgeable group imaginable. As CEO, it would have been impossible for me to do my job without the dedication and competence of my colleagues. It was, and continues to be, a team effort. The extent to which we rely on each other can’t be overstated. No one works in a vacuum; we depend on each other for input, and the final product is always a collaboration. Responding to the COVID-19 pandemic has brought out the best in us, giving us purpose and focus—the desire to help our members deal with this unprecedented disruption.

We are not only here to provide support during this difficult time, we also want to help when this crisis inevitably ends, and we can return to “normal,” whatever that looks like. Although there is plenty to be cautious about regarding coronavirus, its long-term effect on the real estate market should not be one of them.

Like most markets, the real estate industry is all about supply and demand: if we have too little inventory and a lot of demand, prices will go up. Other than the Great Depression and the 2006–2008 recession, supply outgrowing demand does not happen at a large scale, even in times of economic uncertainty. During a recession, investors shift their capital from the stock market into real estate. That shift in capital increases buyer demand, which increases home values.

Also, the Federal Reserve has been laying the foundation for a real estate market recovery. After the 9/11 attacks, the Fed cut interest rates and stimulated the housing boom of 2002–2004 where we saw one the fastest and steepest spikes in real estate values. As the coronavirus pandemic has caused widespread concern, the Federal Reserve has been responding in kind, slashing interest rates to new historic lows. Combined with continued low inventory, these factors portend a robust recovery in the housing market on the other side of the pandemic.

REALTORS® are both poised to participate in the recovery and are ideally situated to help combat the fear that permeates the world right now. It is important to not only practice personal safety but to help quell the economic uncertainty and keep the economy moving by servicing your clients and facilitating their investments in real estate.

There is, and will continue to be, a great deal of fear and uncertainty. You can help dispel this fear by educating and providing the public with the material and information that they need to make wise real estate investments. We are at one of those points right now, according to many economic indicators, where home prices are set to rise rapidly. It’s our job to get the word out to the public. Doing so gives people hope, and giving people hope helps calm our society and ease some of the problems with this pandemic.

As real estate professionals we are the foot soldiers on the ground that help get our industry and our society through what otherwise is a very scary time. So, stay safe, stay positive, and inform the public of the encouraging signs we see for the real estate market.

Chuck Kasky, Maryland REALTORS® Chief Executive Officer
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