



CALIFORNIA
ASSOCIATION
OF REALTORS®



PISMO COAST®
A O R

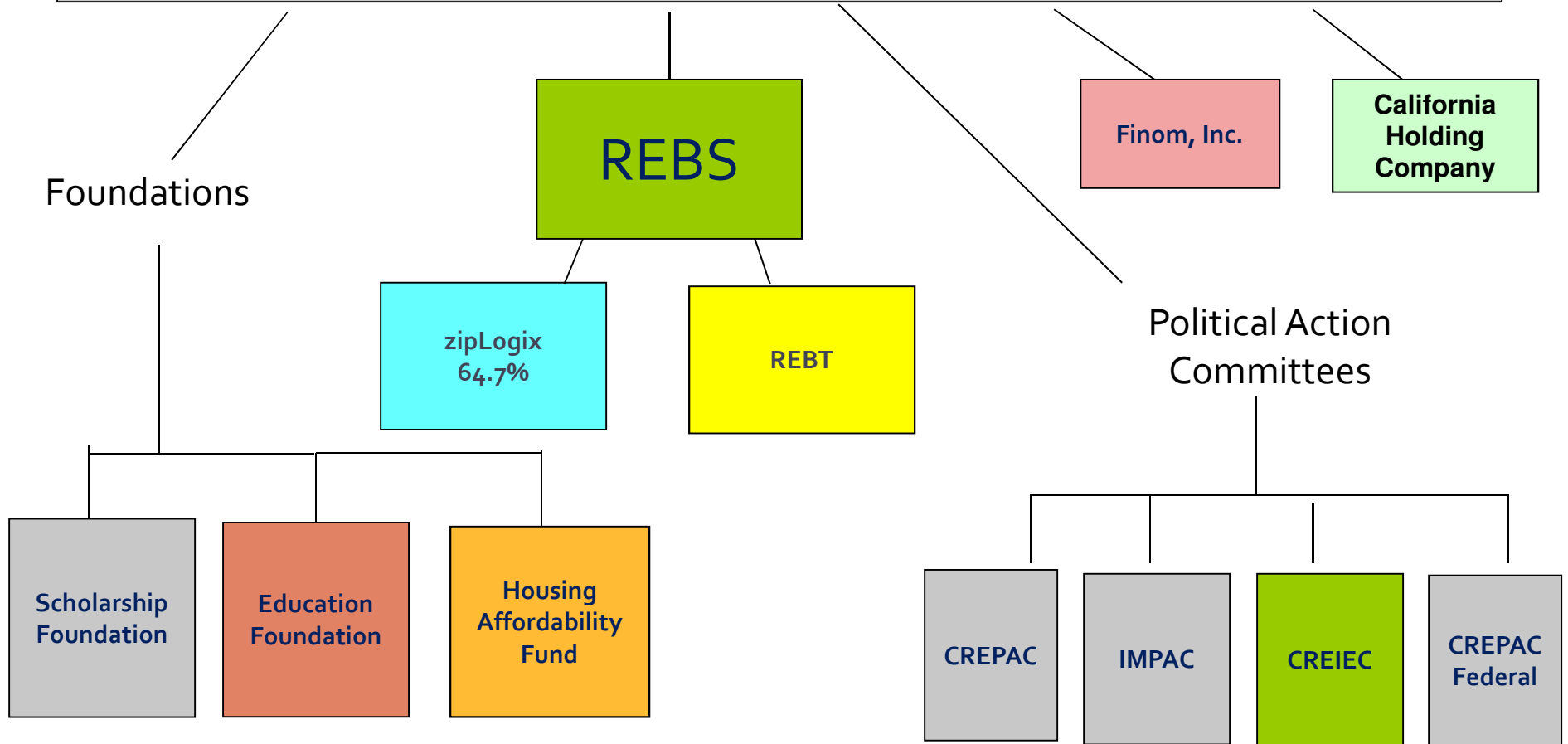


June 10, 2014

STRUCTURE OF C.A.R.

Current Organizational Chart

California Association of REALTORS®



HOW C.A.R. HELPS YOU

Pismo Coast AOR

June 10, 2014

Kevin Brown, *2014 C.A.R. President*



WHAT'S NEW?

Publication of BRE Discipline

- In Effect since May 2013
- car.org/legal/MLSproStandards/discipline/



Software launched January 2014



- Northern CA – Monday July 21st



The Finance Helpline

- Launched in Feb 2013
- Nearly 1000 inquiries
- Over 500 cases opened
- Over 50% cases resolved



finance.car.org
(213)739-8383
financehelpline@car.org



[car.org/tools/financehelpline/financeworkshops/](https://www.car.org/tools/financehelpline/financeworkshops/)



Mortgage Resource Directory

mortgage.car.org

neighborhood Information ownership Possible entering
Yes countless Circumstances property Household
foreclosure general Mortgage interested
Family program Single County Special city
Learn available Resource address
Finance Directory Street search Multihome
estimated code



100

Coming to EXPO 2014: Wednesday October 8th



Regional Home Buyer Fairs 2014



Confirmed

Sacramento Association of Realtors®
July 19, 2014

Tentative

Southland Regional Association of Realtors®
April 2014 or June 2014

Citrus Valley Association of Realtors®
September 2014

Pacific West Association of Realtors®

Fresno Association of Realtors®

Bay East Association of Realtors®

Tentative Sponsors

Wells Fargo
Freddie Mac



Thought Leadership 2013



**Industry Leader
Insights**



**The Future of
Housing Finance:
Economic and Policy**



**Tomorrow's
Housing: The
Future of CA Real**



Milken Institute Joint Report
"Thoughts from CA on Federal Reform"

Thought Leadership 2014

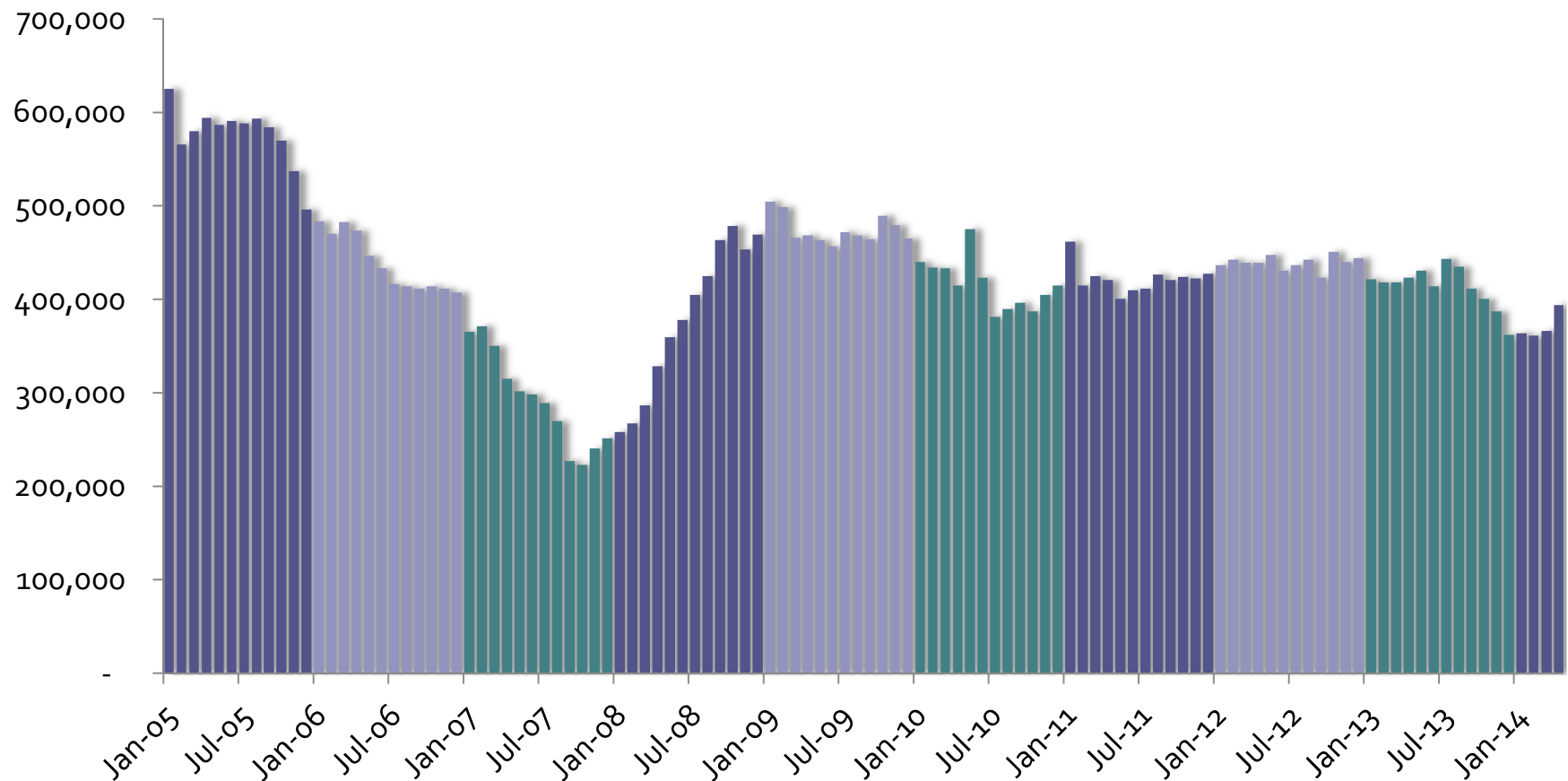
- **Statewide Housing Summit**
- **Thought Leadership website**
- **Center/Institute Concept**



California Housing Market Outlook

Sales of Existing Detached Homes

- California, April. 2014 Sales: 394,070 Units, -11.6% YTD, -7% YTY



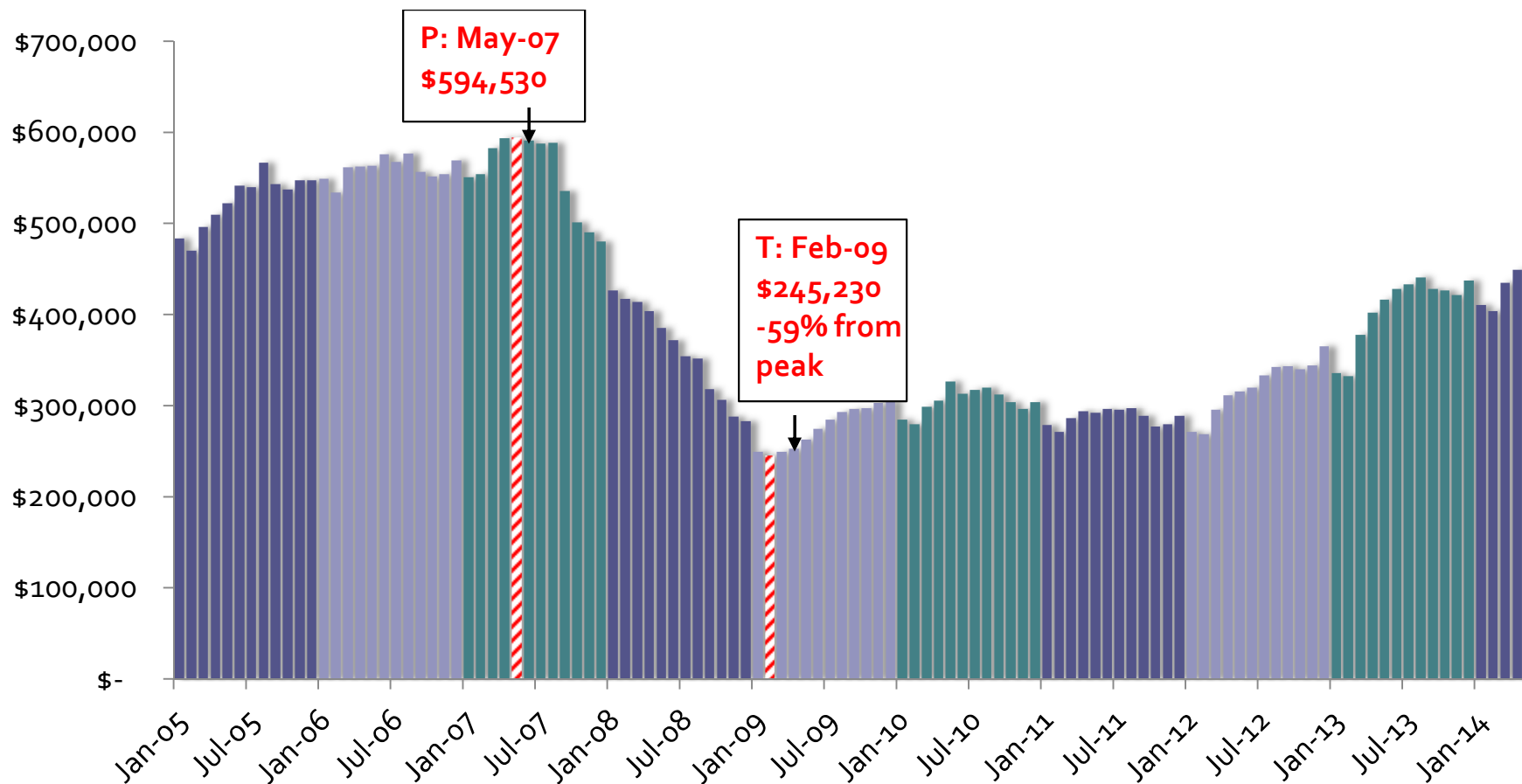
SERIES: Sales of Existing Single Family Homes
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

*Sales are seasonally adjusted and annualized



Median Price of Existing Detached Homes

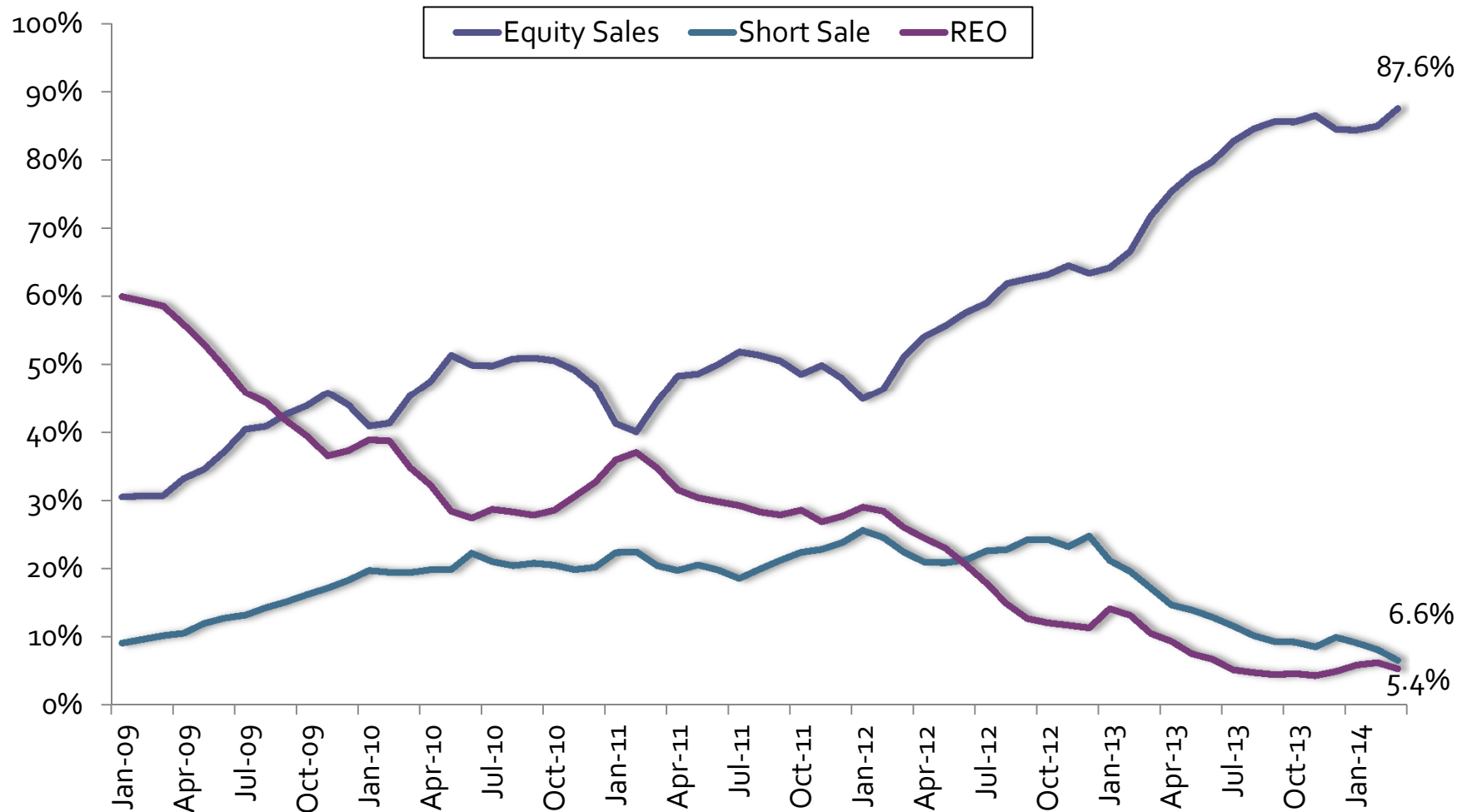
- California, April 2014: \$449,360, Up 11.6% YTY



SERIES: Median Price of Existing Single Family Homes
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Share of Equity Sales Remained near the Recent Peak Level

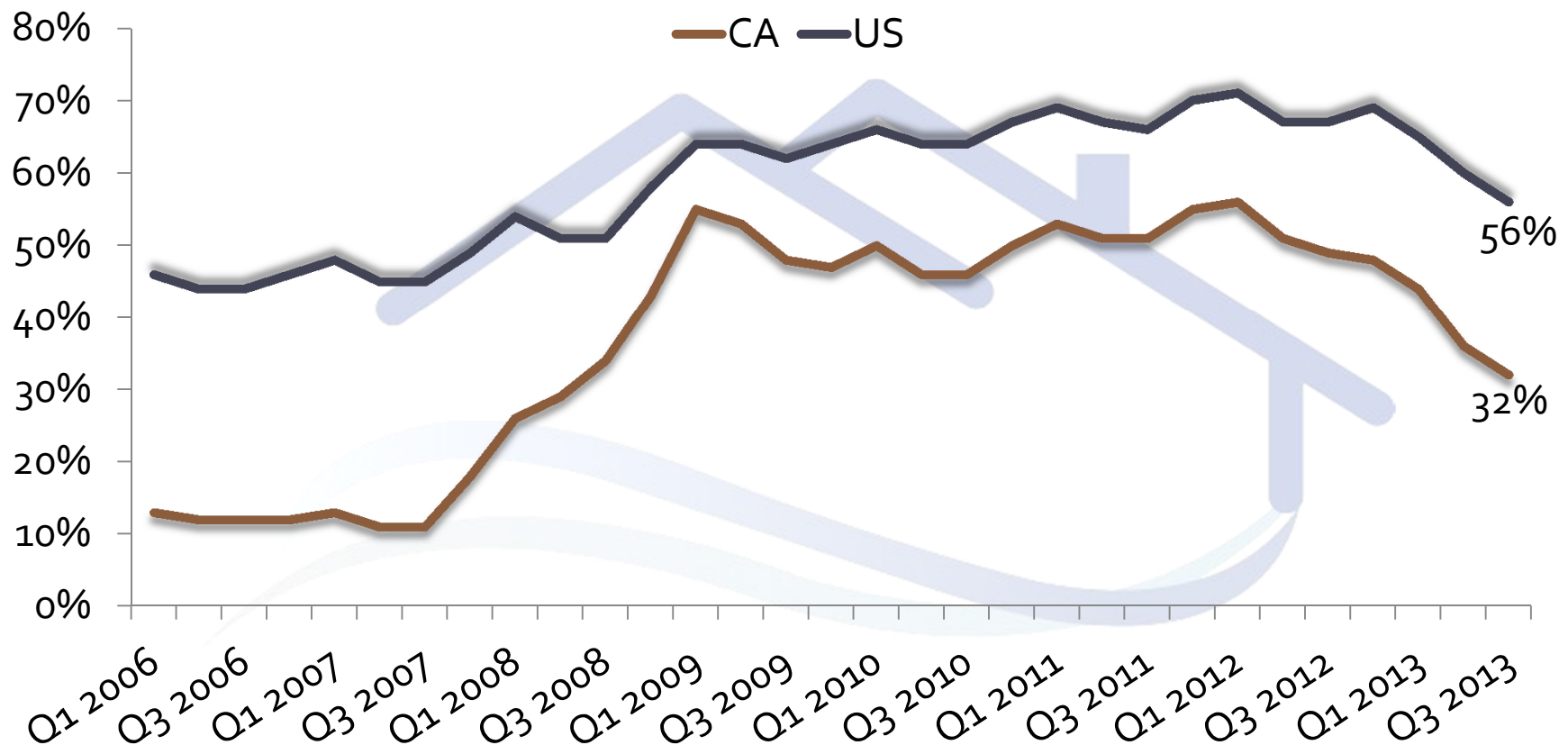


SERIES: Distressed Sales, Not Seasonally Adjusted
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Housing Affordability Hit by Mortgage Rate and Price Gains But Still Attractive

% OF HOUSEHOLDS THAT CAN BUY



SERIES: Housing Affordability Index of Traditional Buyers
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®





CALIFORNIA HOUSING MARKET FORECAST

California Housing Market Outlook

Indicator	2008	2009	2010	2011	2012	2013	2014 ^f
SFH Resales (000s)	381.4	474.9	416.5	422.6	439.8	413.9	401.2
% Change	30.4%	24.5%	-12.3%	1.4%	4.1%	-5.9%	-3.1%
Median Price (\$000s)	\$348.5	\$275.0	\$305.0	\$286.0	\$319.3	\$407.2	\$440.7
% Change	-37.8%	-21.1%	10.9%	-6.2%	11.6%	27.5%	8.2%
30-Yr FRM	6.0%	5.0%	4.7%	4.5%	3.7%	4.0%	5.3%
1-Yr ARM	5.2%	4.7%	3.8%	3.0%	2.7%	2.6%	3.1%

SERIES: CA Housing Market Outlook
 SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

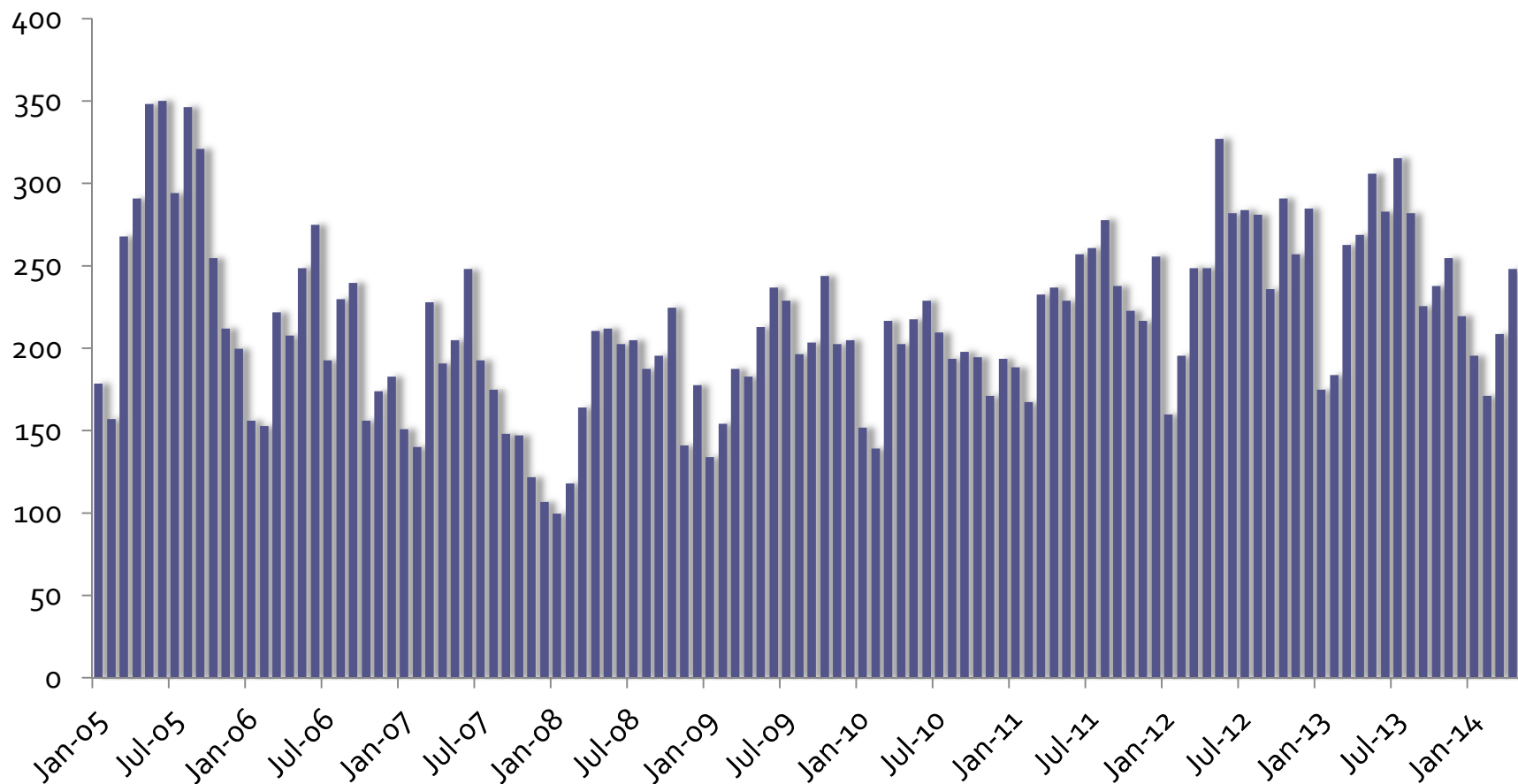




LOCAL HOUSING MARKET

Sales of Existing Detached Homes

San Luis Obispo County, April. 2014: 248 Units, +-7.5% YTD, -7.8% YTY

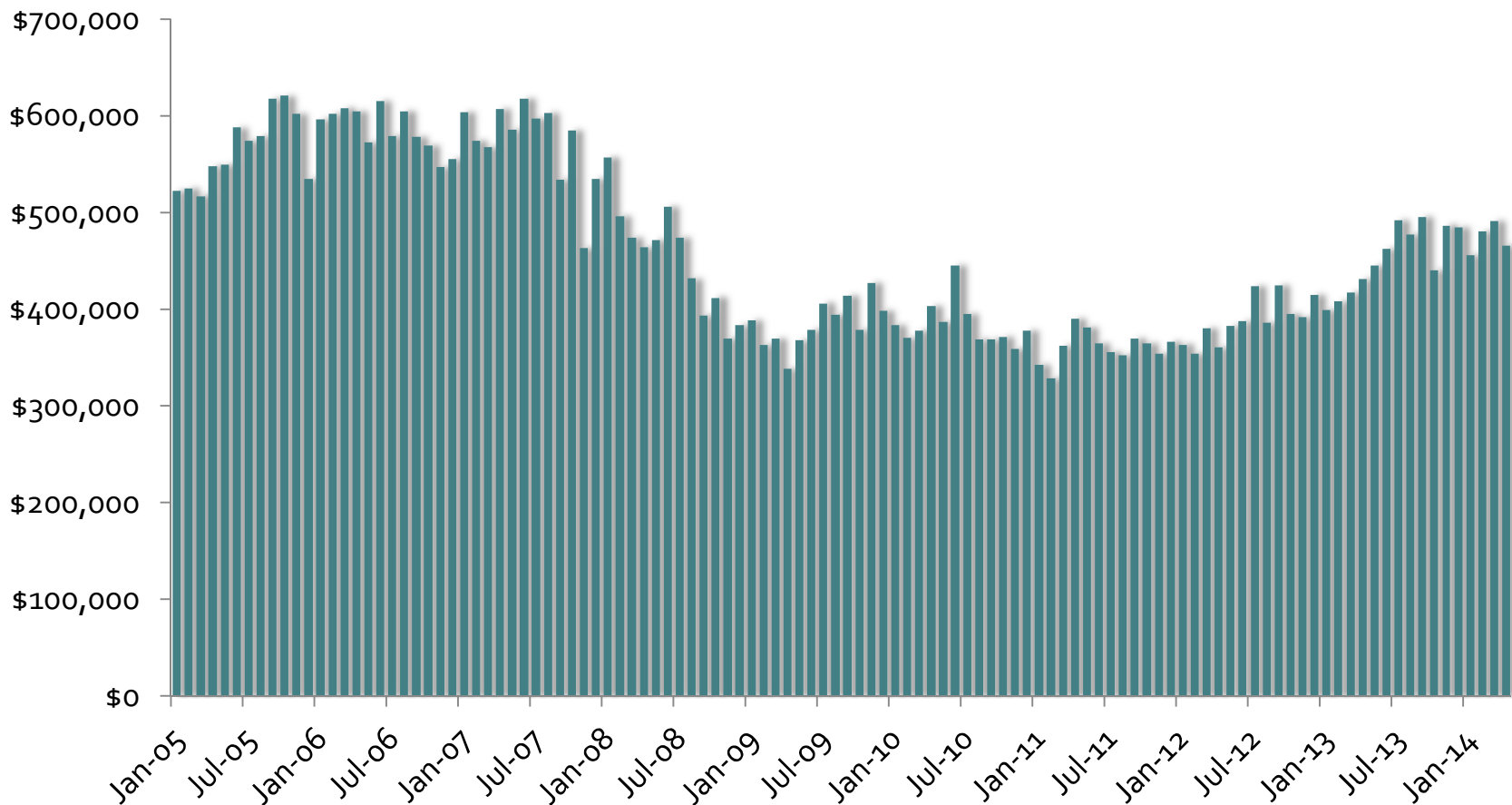


SERIES: Sales of Existing Single Family Homes
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Median Price of Existing Detached Homes

San Luis Obispo County, April. 2014: \$465,300, Up 7.9% YTY

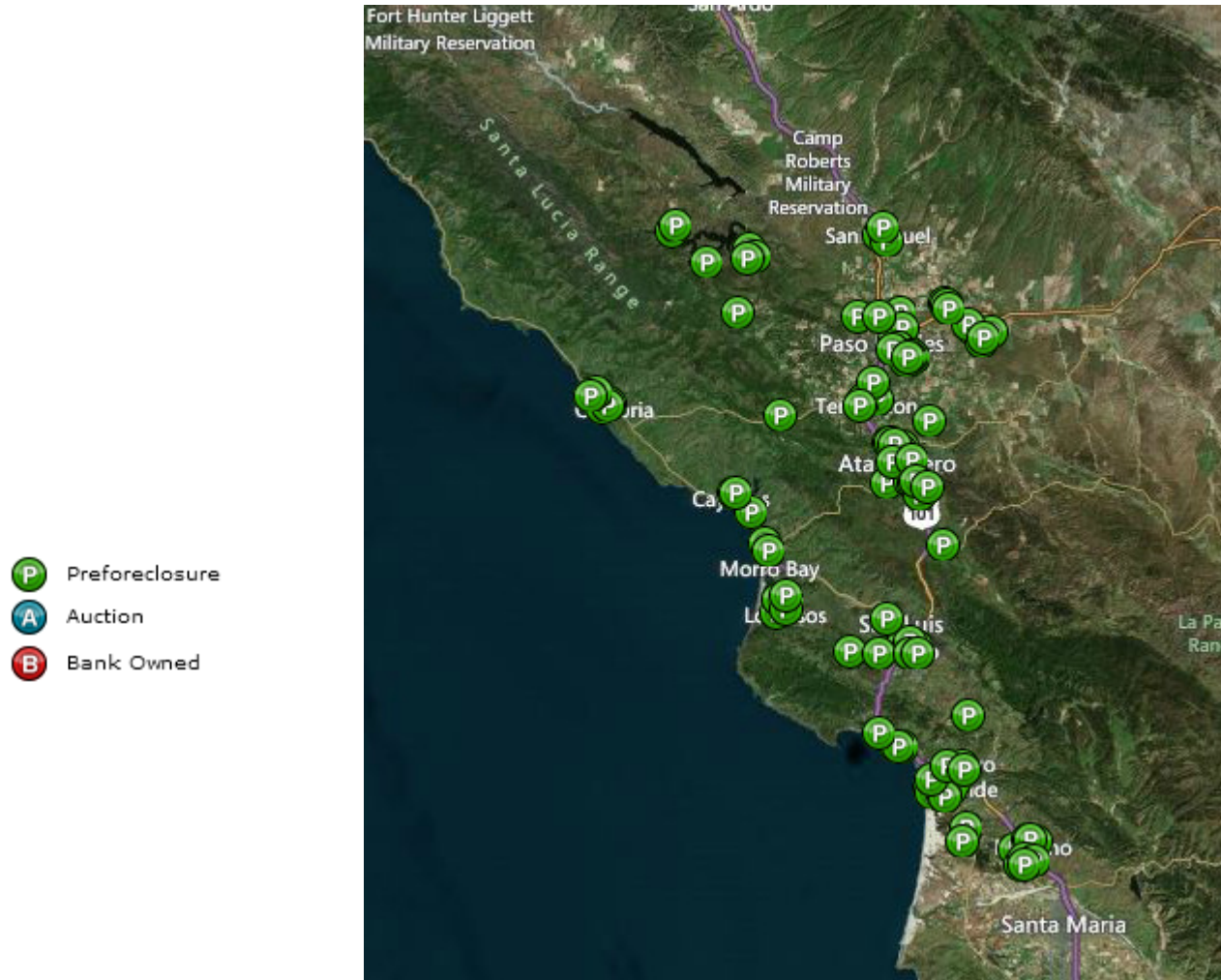


SERIES: Median Price of Existing Single Family Homes
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



San Luis Obispo County

- Preforeclosure: 121 • Auction: 71 • Bank Owned: 38

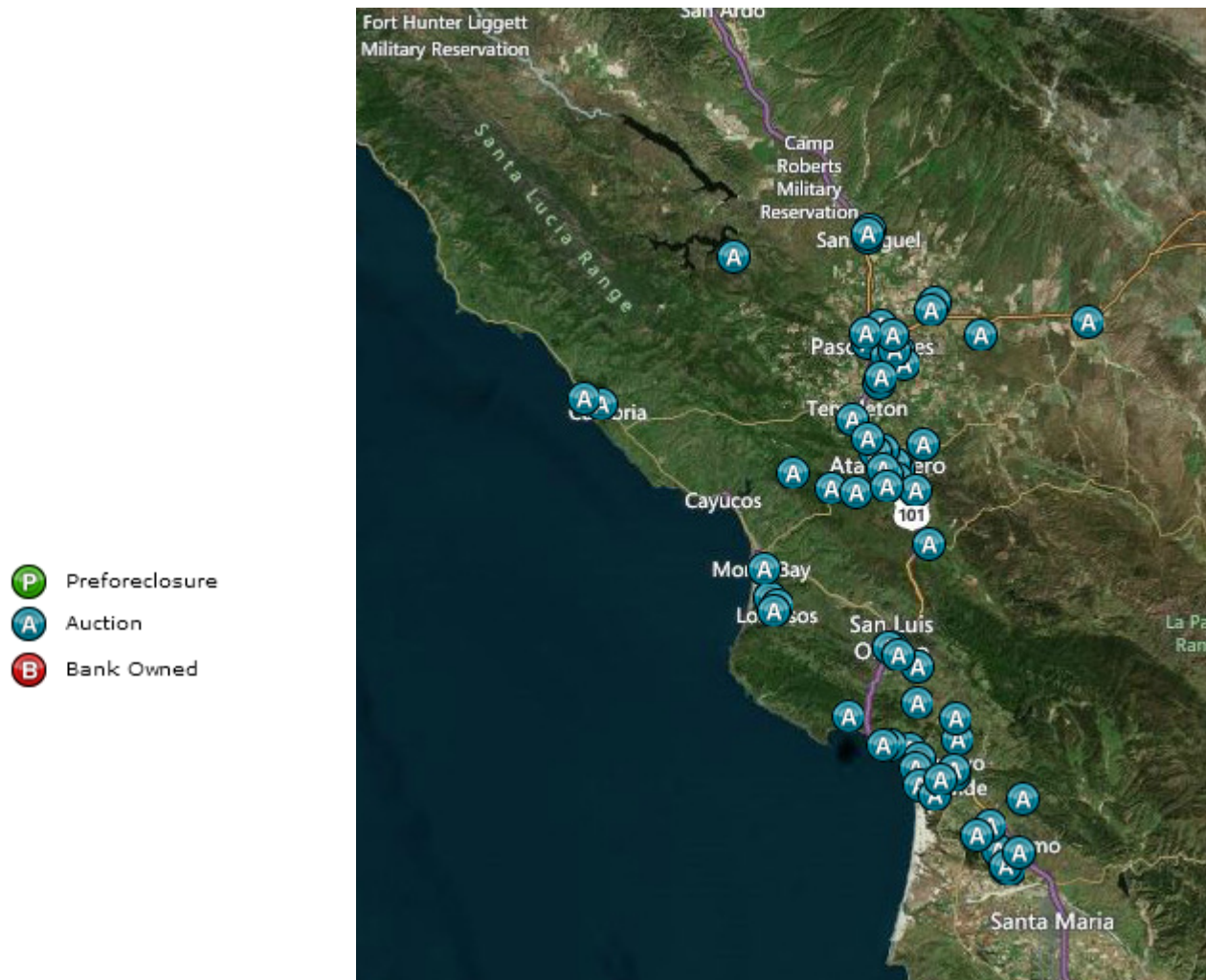


SOURCE: PropertyRadar.com as of 06/05/14



San Luis Obispo County

- Preforeclosure: 121 • Auction: 71 • Bank Owned: 38

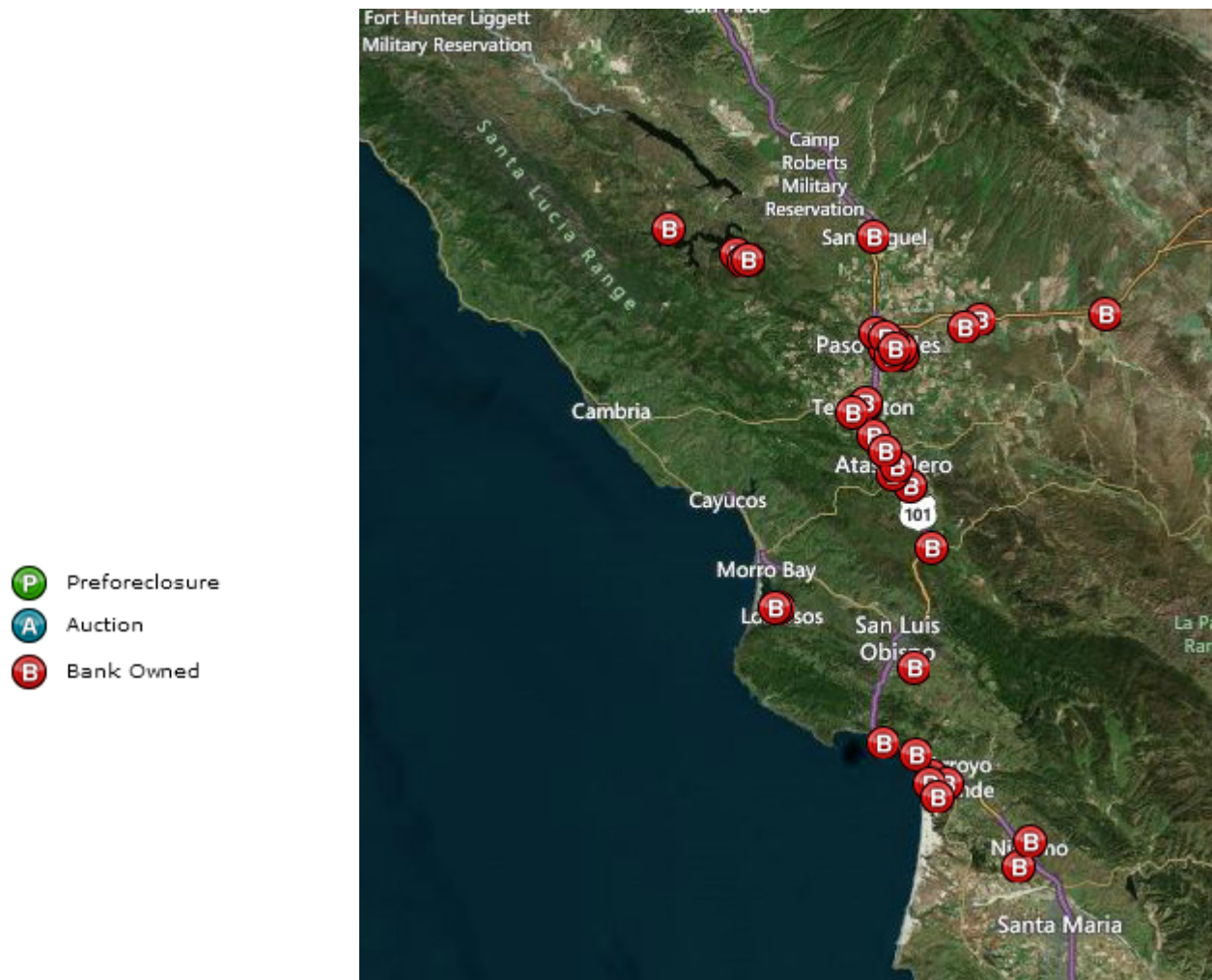


SOURCE: PropertyRadar.com as of 06/05/14



San Luis Obispo County

- Preforeclosure: 121 • Auction: 71 • Bank Owned: 38



SOURCE: PropertyRadar.com as of 06/05/14

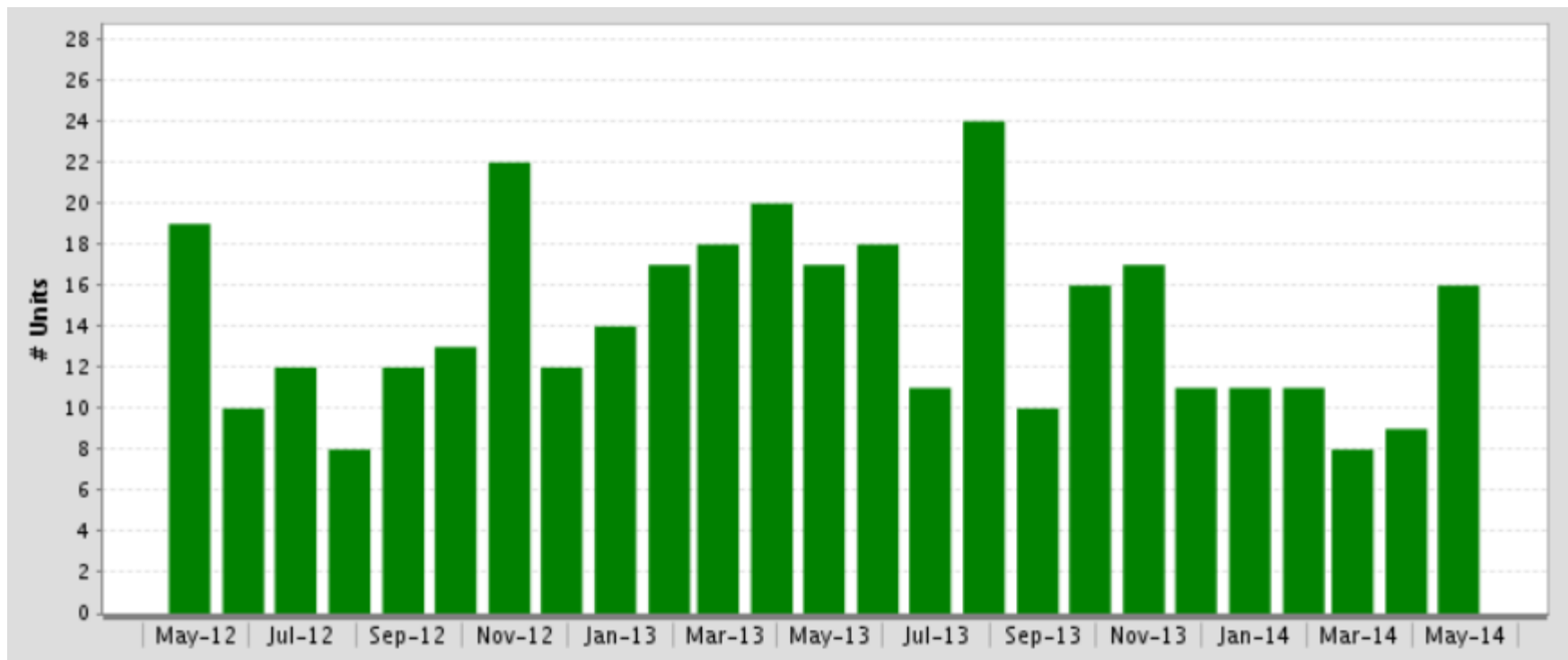




PISMO BEACH

Sales of Residential Homes

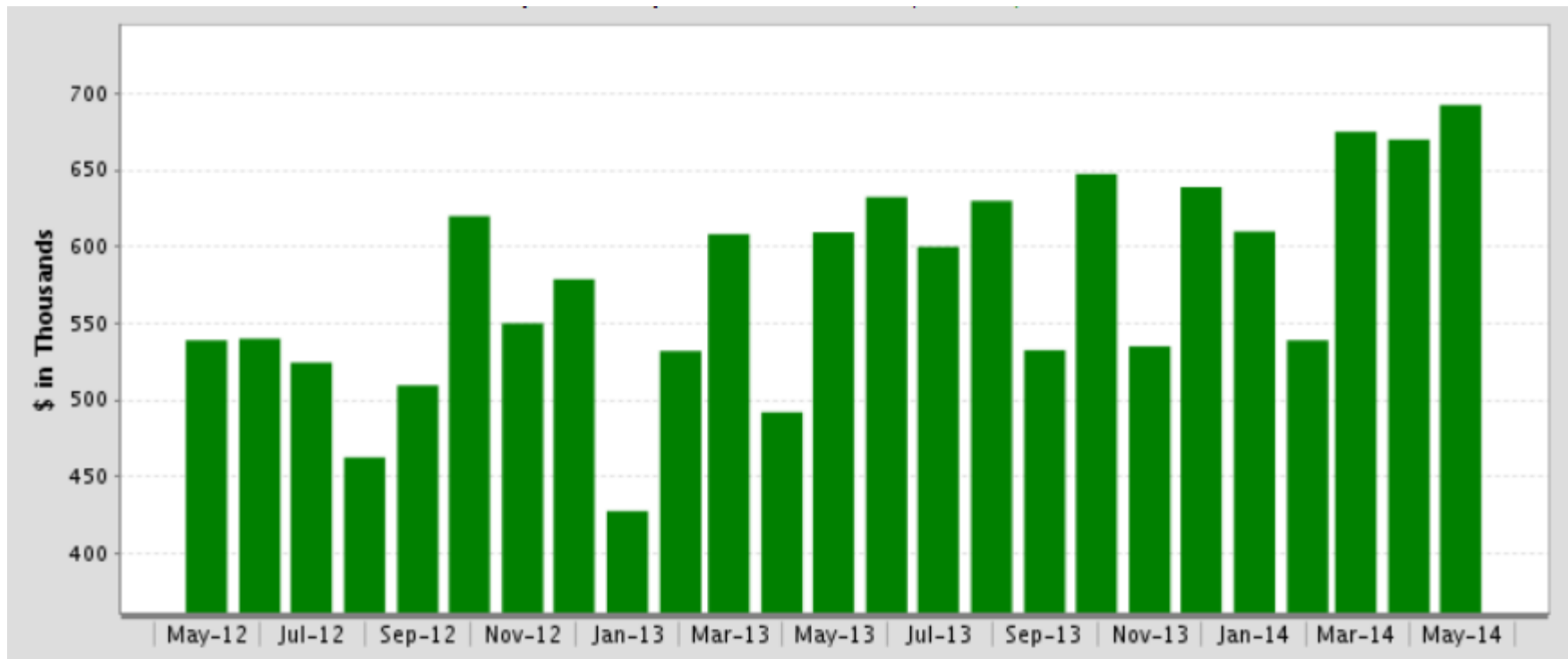
- Pismo Beach, May 2014: 16 Units
- Up 77.8% MTM, Down 5.9% YTY



SOURCE: Clarus Market Metrics

Median Price of Residential Homes

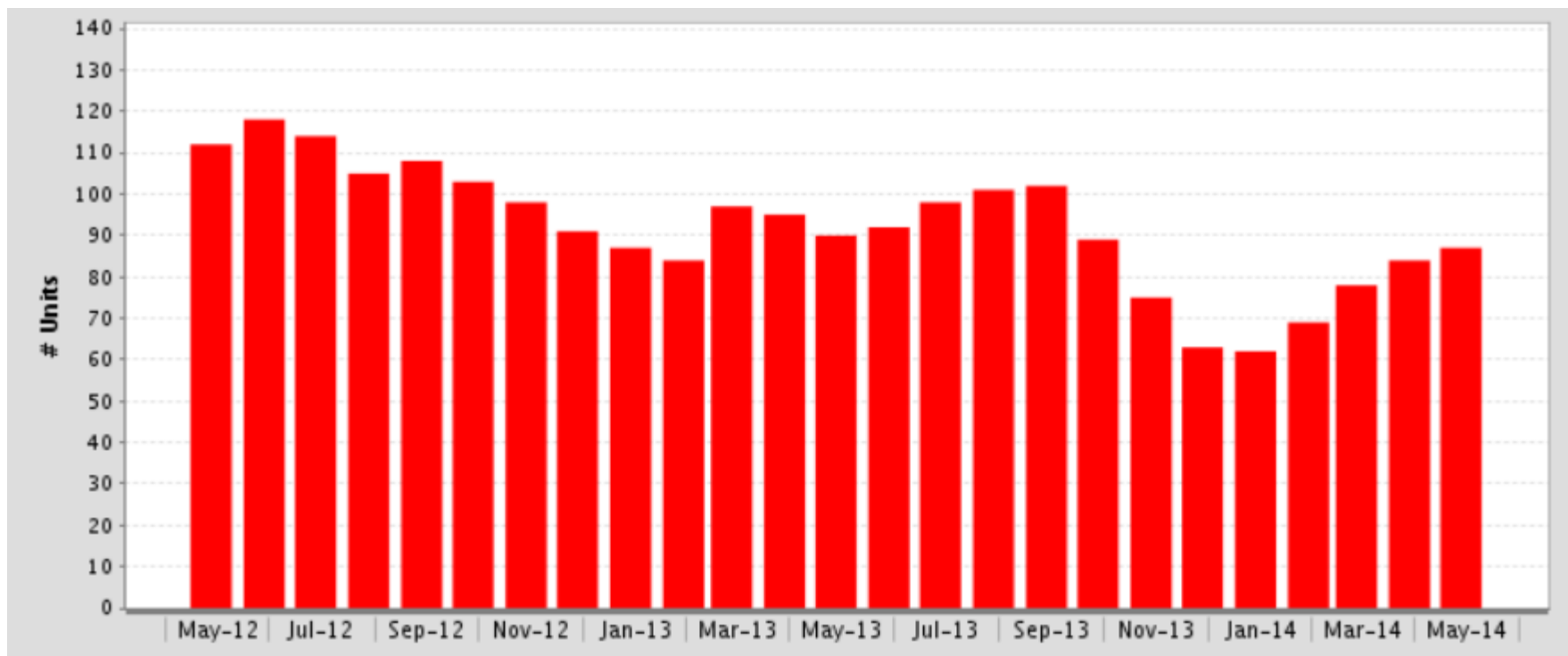
- Pismo Beach, May 2014: \$692,500
- Up 3.4% MTM, Up 13.6% YTY



SOURCE: Clarus Market Metrics

For Sale Properties

- Pismo Beach, May 2014: 87 Units
- Up 2.4% MTM, Down 3.3% YTY

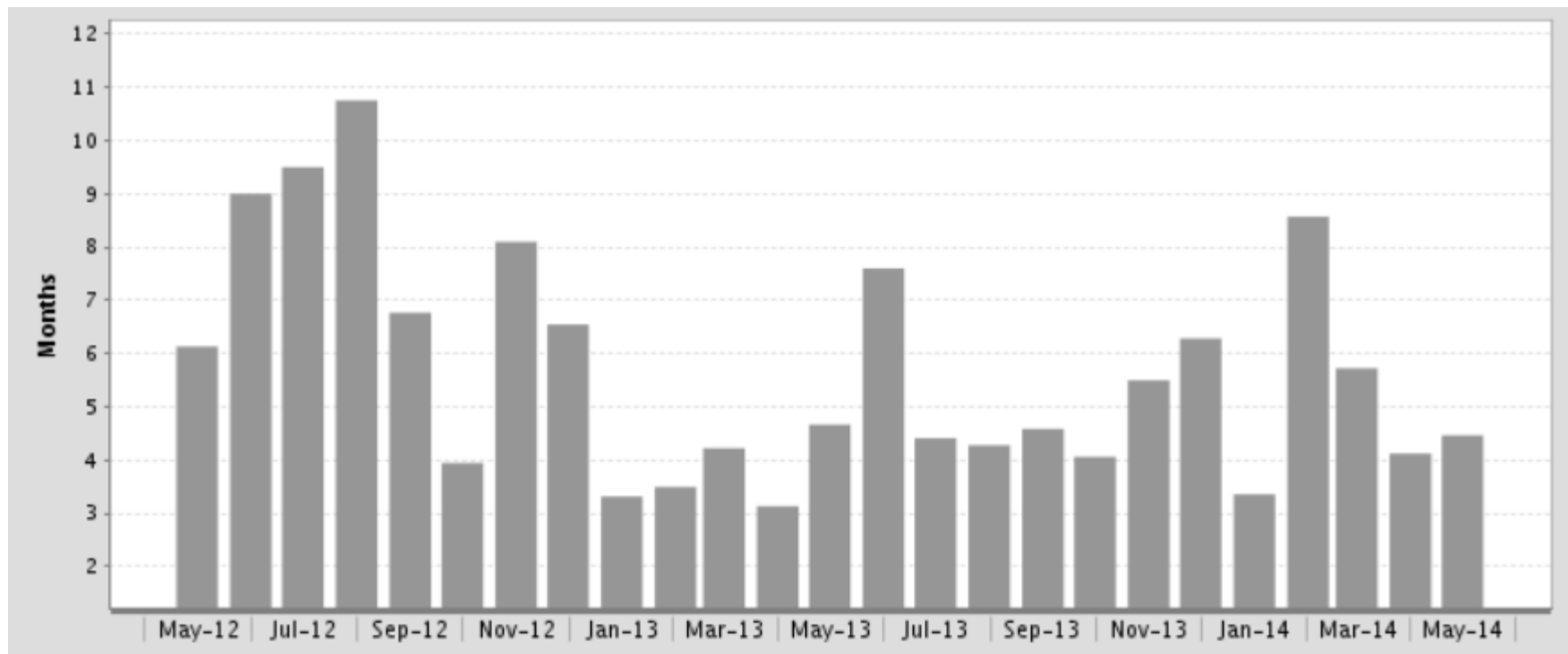


Note: "For Sale Properties" represents the overall supply that exist throughout the entire month, including any listings that appear as "Active" any point in time during the month.

SOURCE: Clarus Market Metrics

Month's Supply of Inventory

- Pismo Beach, May 2014: 4.5 Months

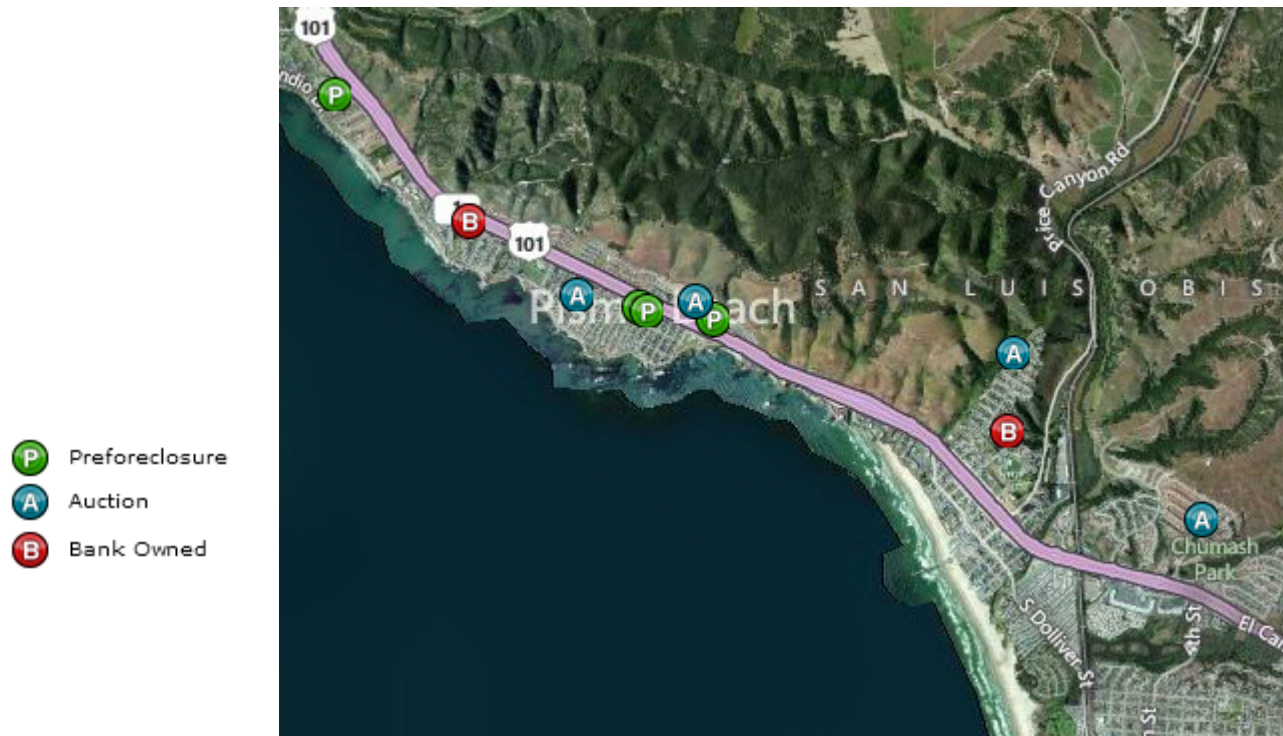


Note: "Month's Supply of Inventory" represents the number of months it would take to sell the remaining inventory for the month in question. The remaining inventory for the month is defined as the number of properties that were "For Sale" on the last day of the month in question. The inventory figure is then divided by the number of properties that went Under Contract during the month.

SOURCE: Clarus Market Metrics

Pismo Beach

- Preforeclosure: 4 • Auction: 4 • Bank Owned: 2



SOURCE: PropertyRadar.com as of 06/05/14

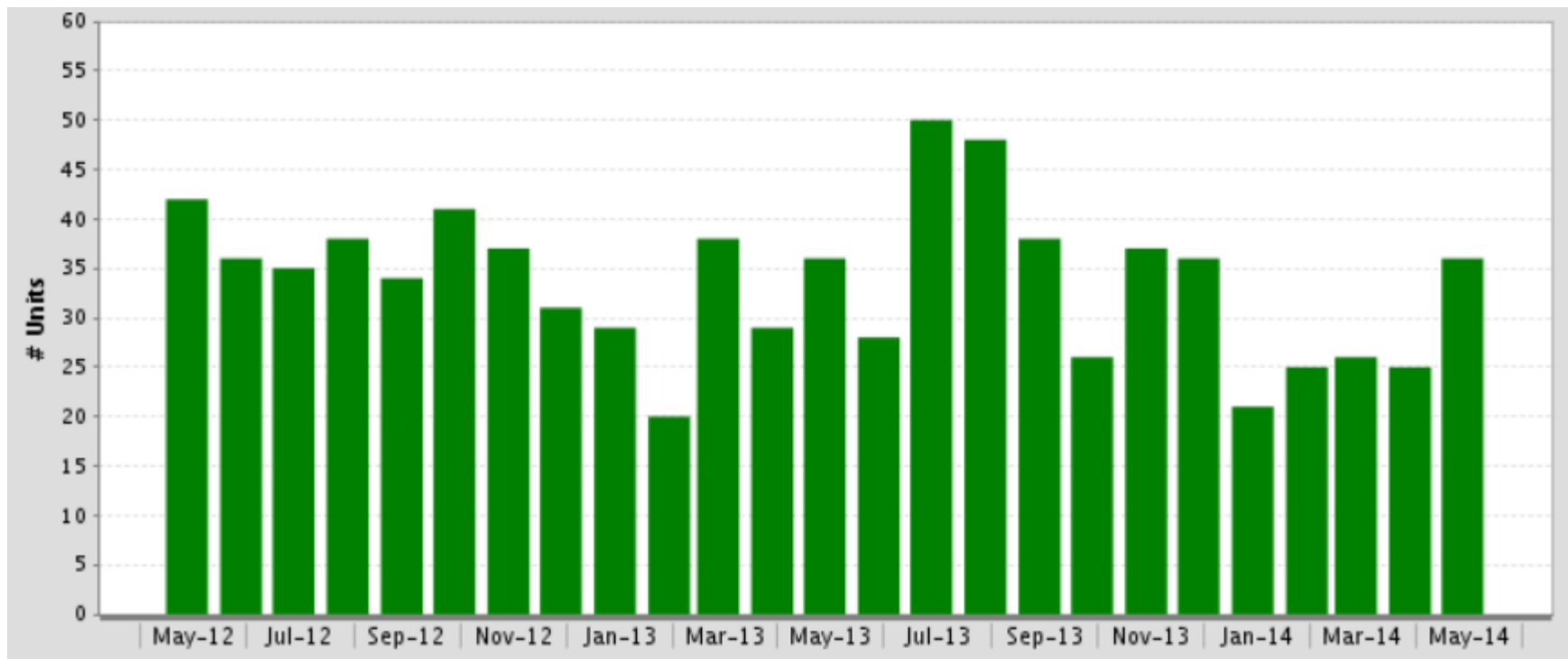




ARROYO GRANDE

Sales of Residential Homes

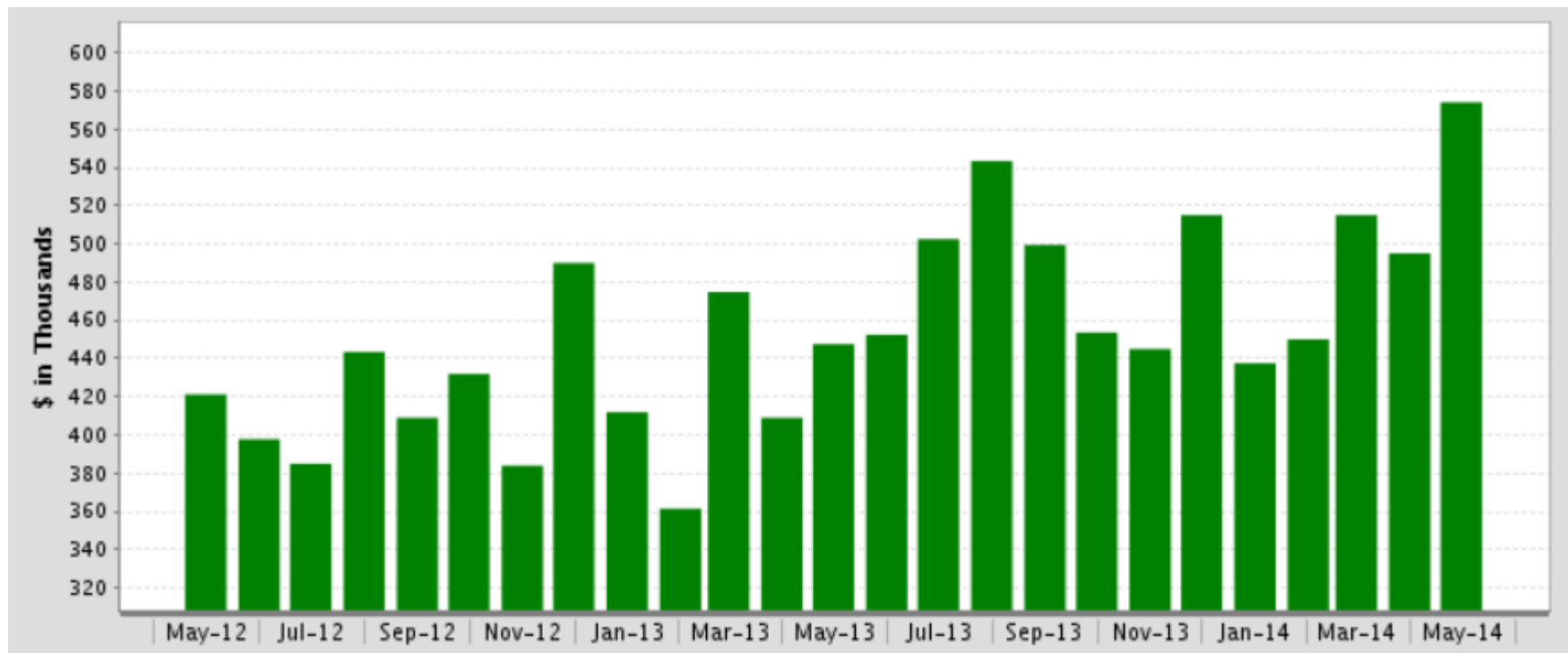
- Arroyo Grande, May 2014: 36 Units
- Up 44.0% MTM, Even 0.0% YTY



SOURCE: Clarus Market Metrics

Median Price of Residential Homes

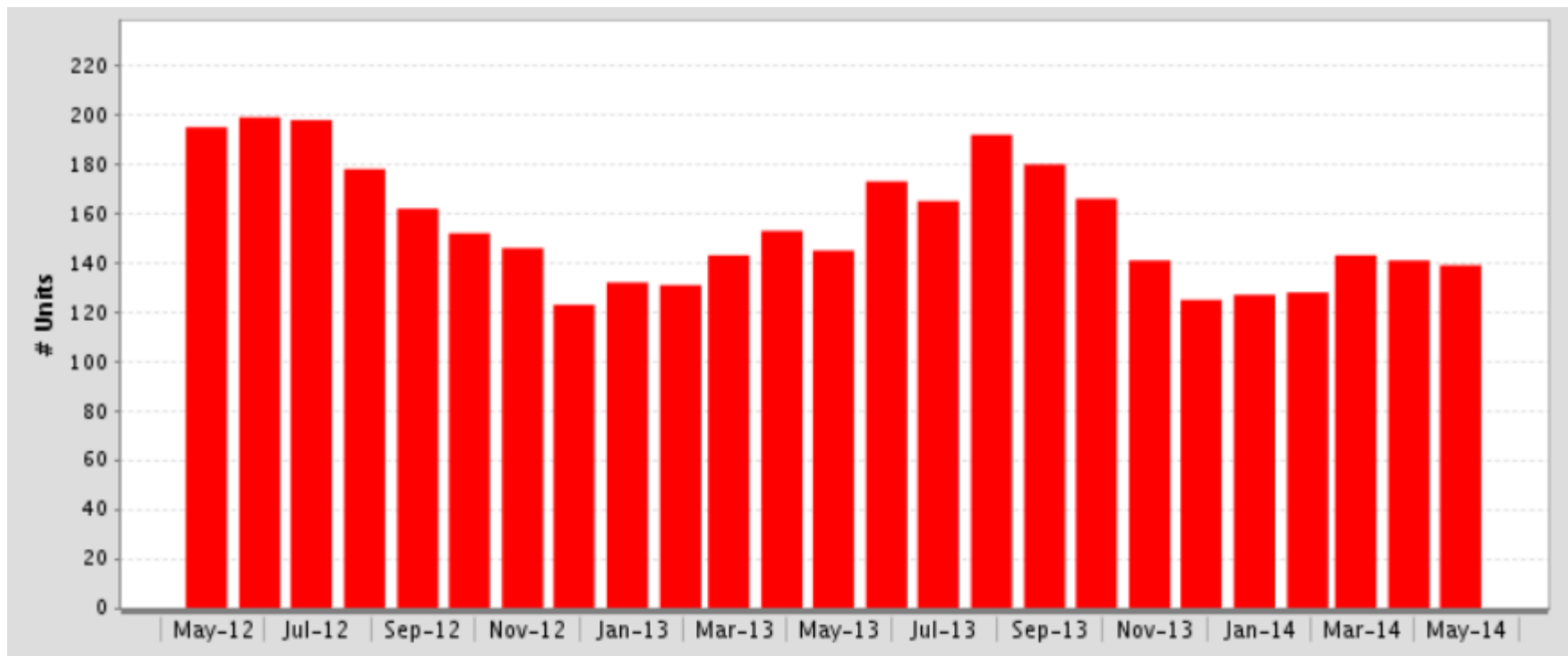
- Arroyo Grande, May 2014: \$574,000
- Up 16.0% MTM, Up 28.3% YTY



SOURCE: Clarus Market Metrics

For Sale Properties

- Arroyo Grande, May 2014: 139 Units
- Down 1.4% MTM, Down 4.1% YTY

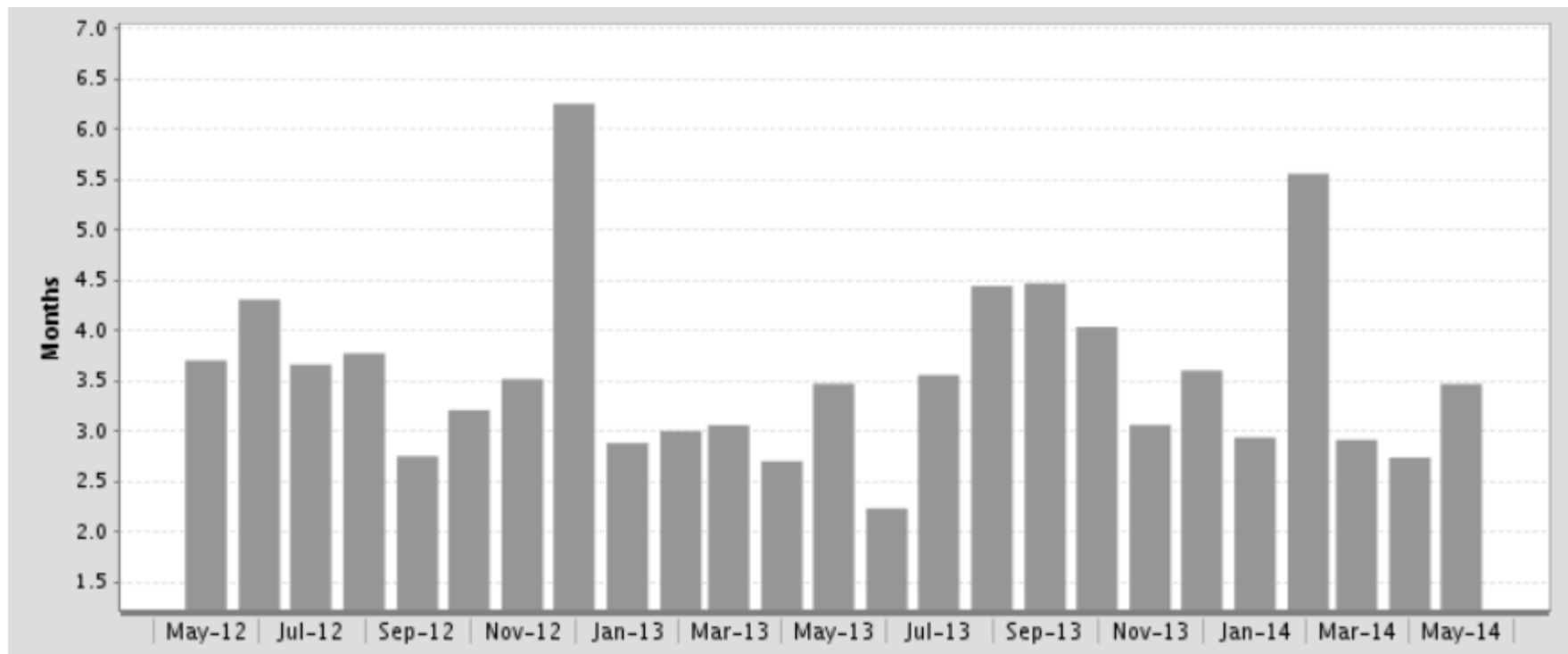


Note: "For Sale Properties" represents the overall supply that exist throughout the entire month, including any listings that appear as "Active" any point in time during the month.

SOURCE: Clarus Market Metrics

Month's Supply of Inventory

- Arroyo Grande, May 2014: 3.5 Months

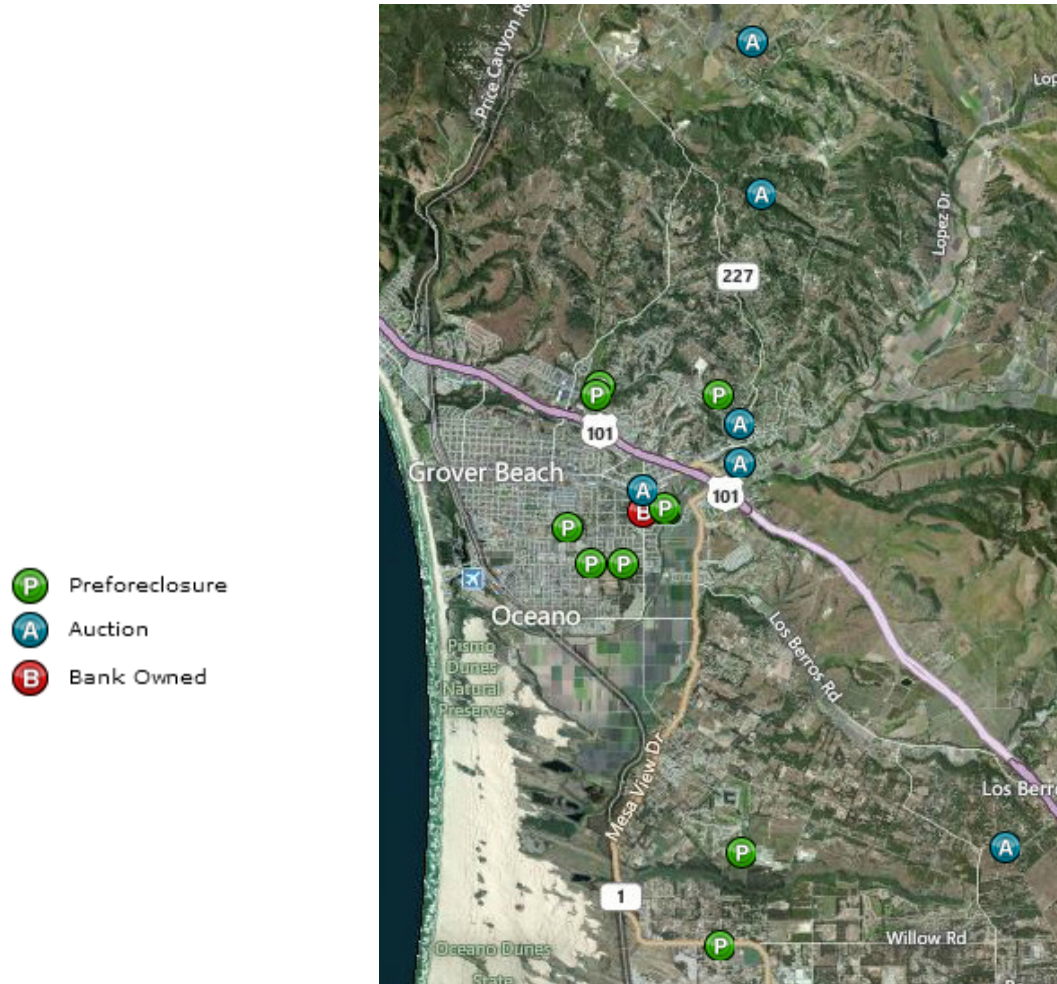


Note: "Month's Supply of Inventory" represents the number of months it would take to sell the remaining inventory for the month in question. The remaining inventory for the month is defined as the number of properties that were "For Sale" on the last day of the month in question. The inventory figure is then divided by the number of properties that went Under Contract during the month.

SOURCE: Clarus Market Metrics

Arroyo Grande

- Preforeclosure: 10 • Auction: 6 • Bank Owned: 1



SOURCE: PropertyRadar.com as of 06/05/14

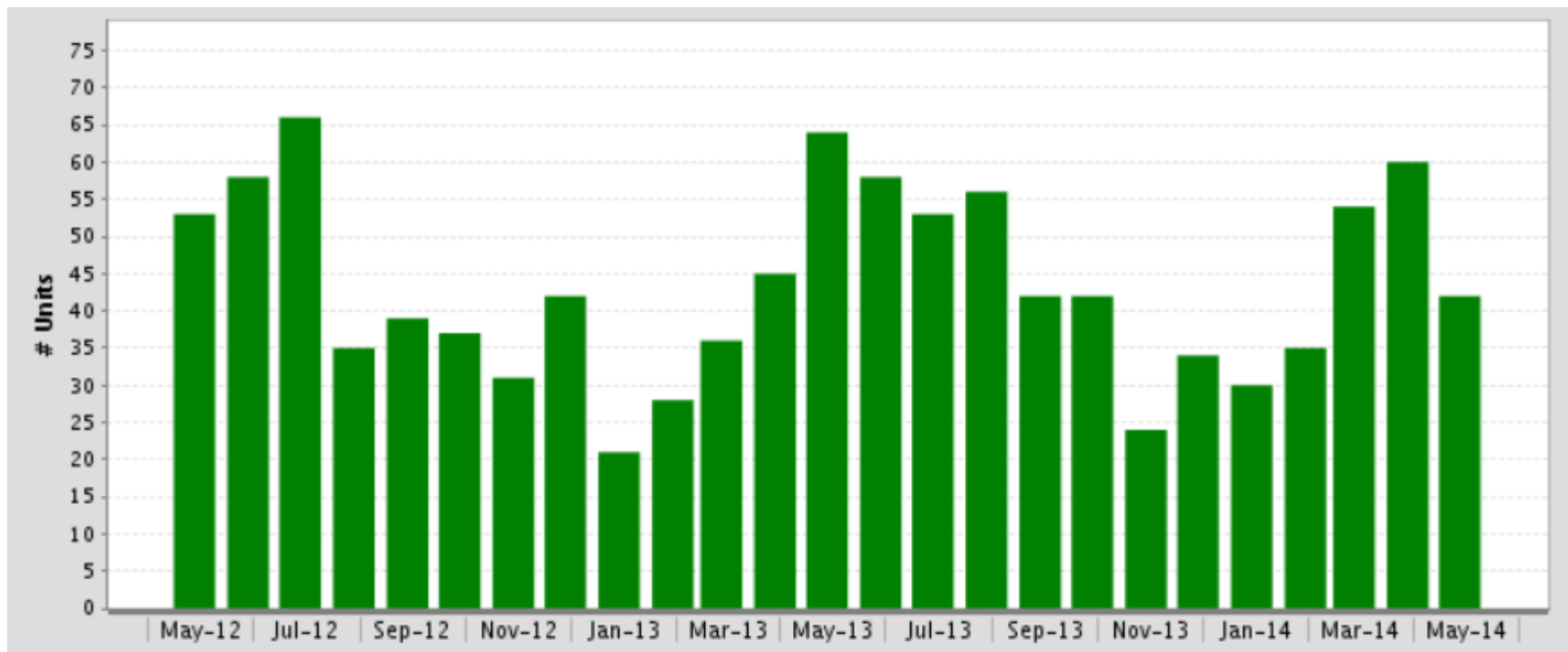




CITY OF SAN LUIS OBISPO

Sales of Residential Homes

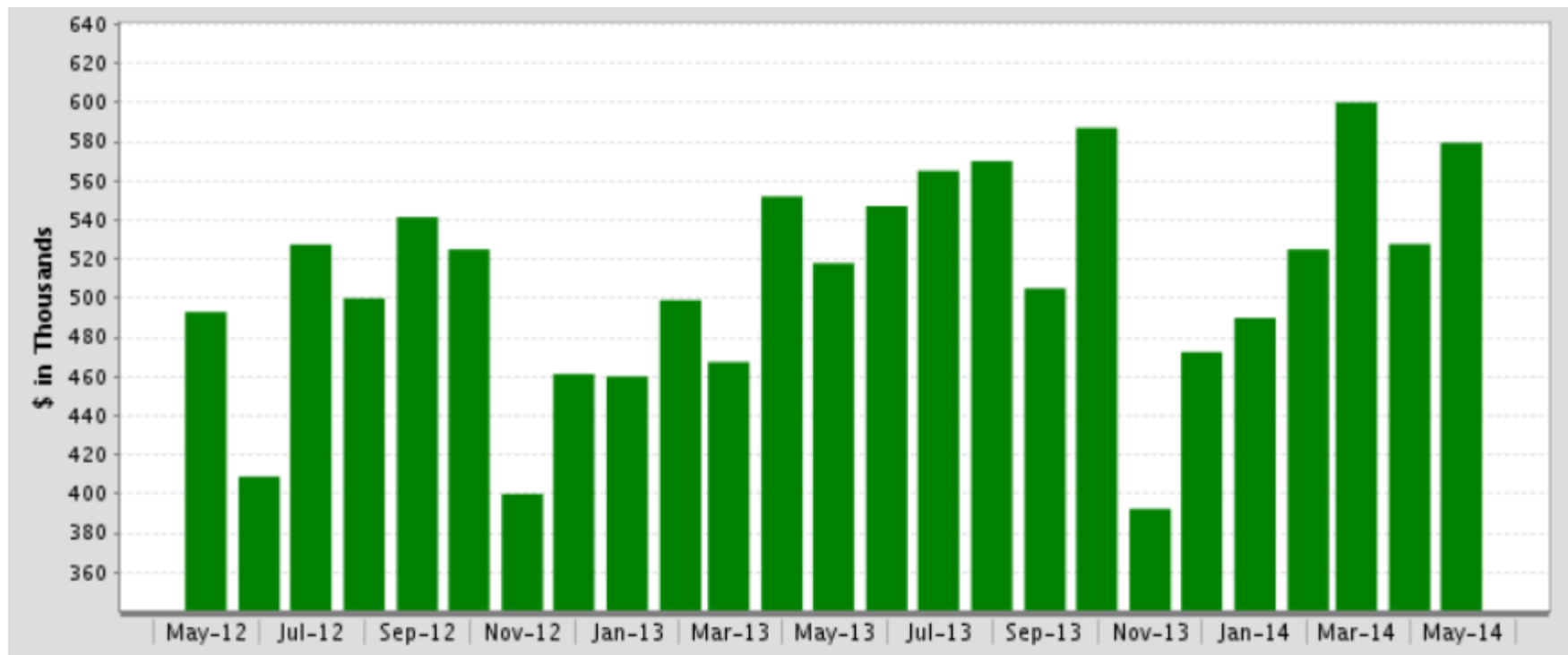
- City of San Luis Obispo, May 2014: 42 Units
- Down 30.0% MTM, Down 34.4% YTY



SOURCE: Clarus Market Metrics

Median Price of Residential Homes

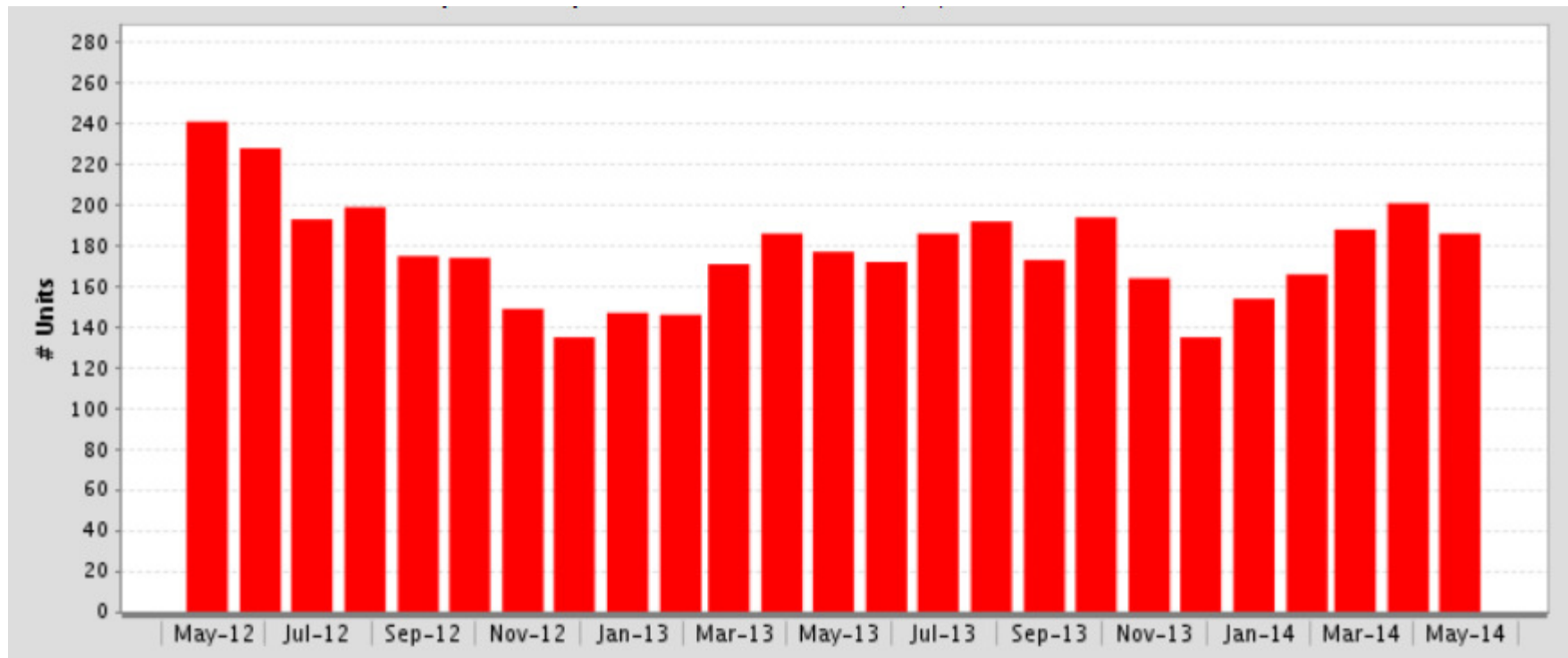
- City of San Luis Obispo, May 2014: \$579,500
- Up 9.8% MTM, Up 11.9% YTY



SOURCE: Clarus Market Metrics

For Sale Properties

- City of San Luis Obispo, May 2014: 186 Units
- Down 7.5% MTM, Up 5.1% YTY

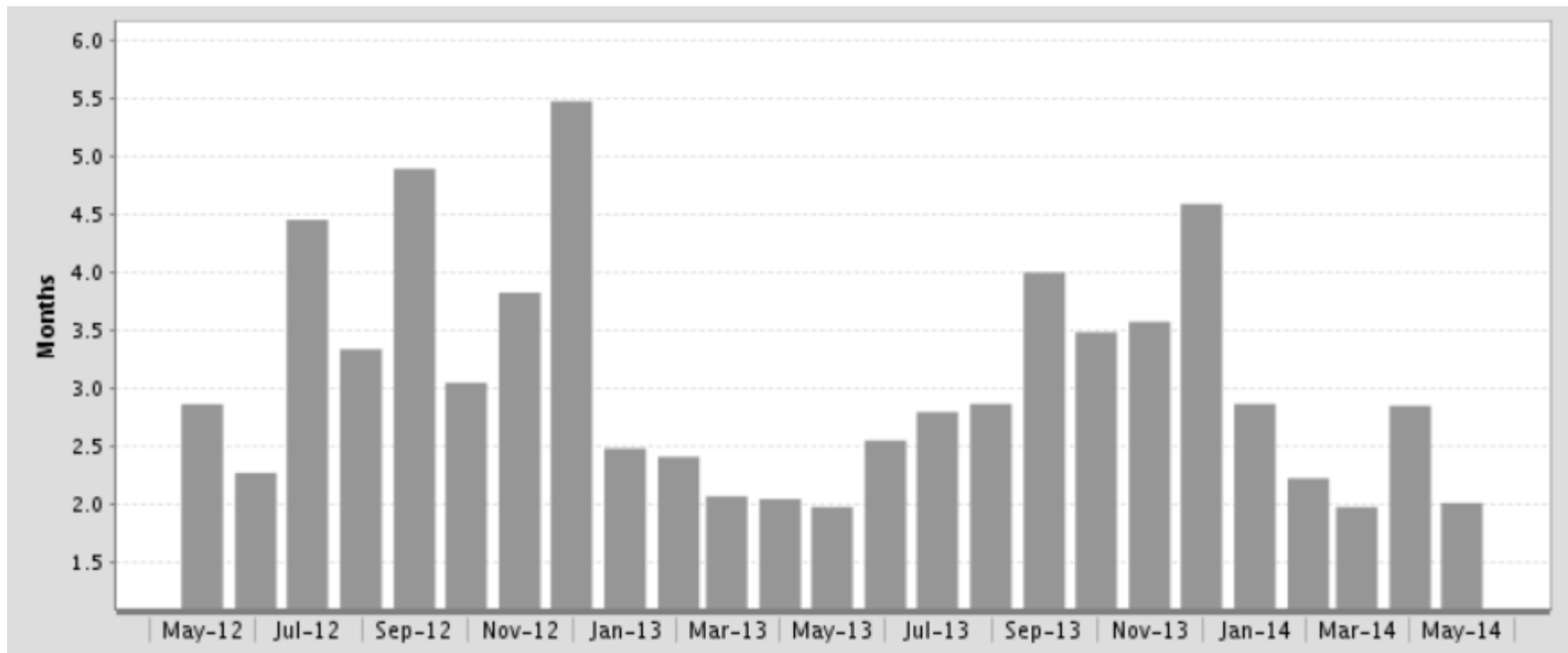


Note: "For Sale Properties" represents the overall supply that exist throughout the entire month, including any listings that appear as "Active" any point in time during the month.

SOURCE: Clarus Market Metrics

Month's Supply of Inventory

- City of San Luis Obispo, May 2014: 2.0 Months

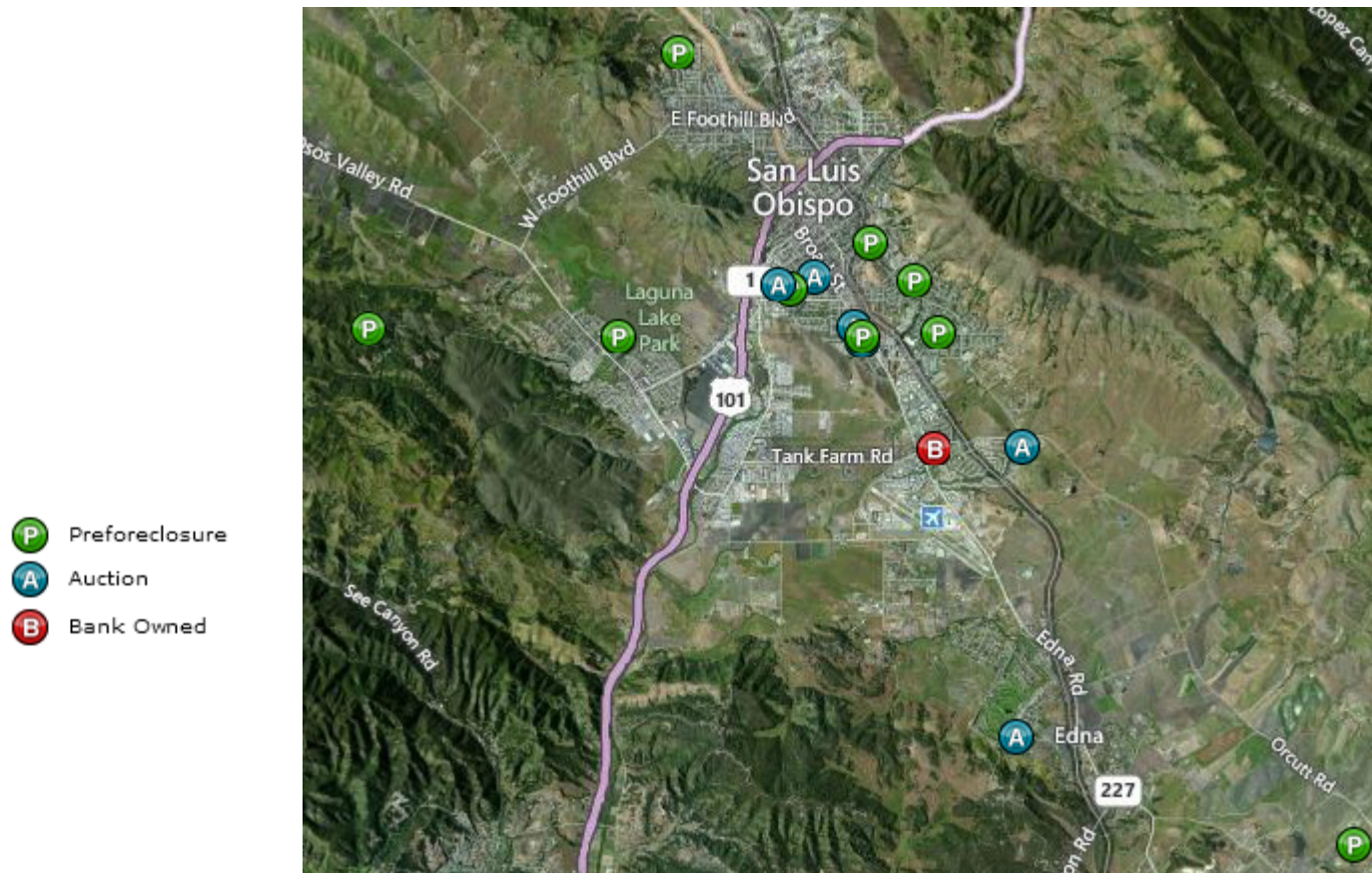


Note: "Month's Supply of Inventory" represents the number of months it would take to sell the remaining inventory for the month in question. The remaining inventory for the month is defined as the number of properties that were "For Sale" on the last day of the month in question. The inventory figure is then divided by the number of properties that went Under Contract during the month.

SOURCE: Clarus Market Metrics

City of San Luis Obispo

- Preforeclosure: 10 • Auction: 6 • Bank Owned: 1



SOURCE: PropertyRadar.com as of 06/05/14



Hot Issues





“The road to truth is long, and lined the entire way with annoying bastards.”

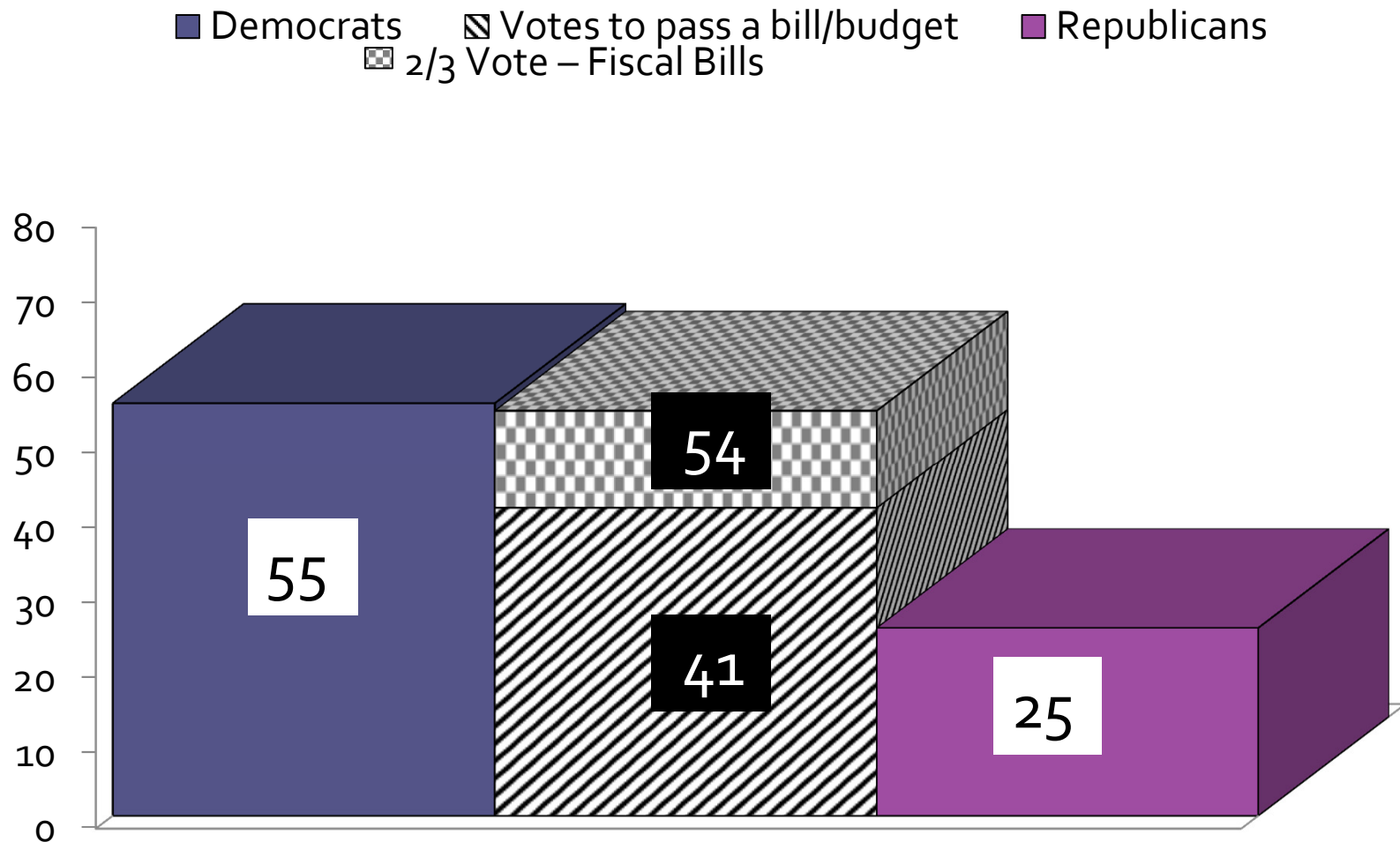
Alexander Jablovkov
American Novelist



CALIFORNIA LEGISLATURE SUPERMAJORITY

California State Legislature

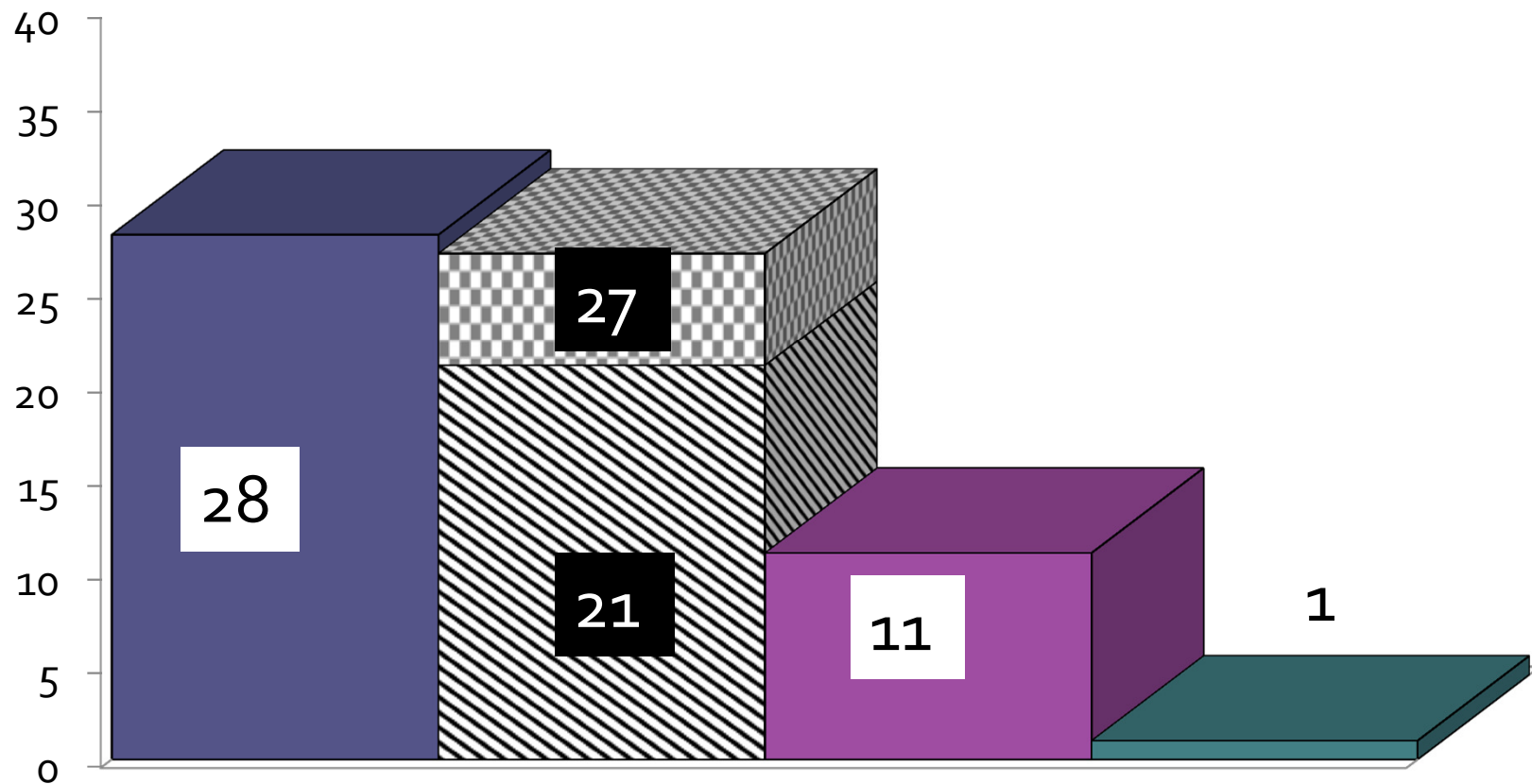
2014 - Assembly



California State Legislature

2014 - Senate

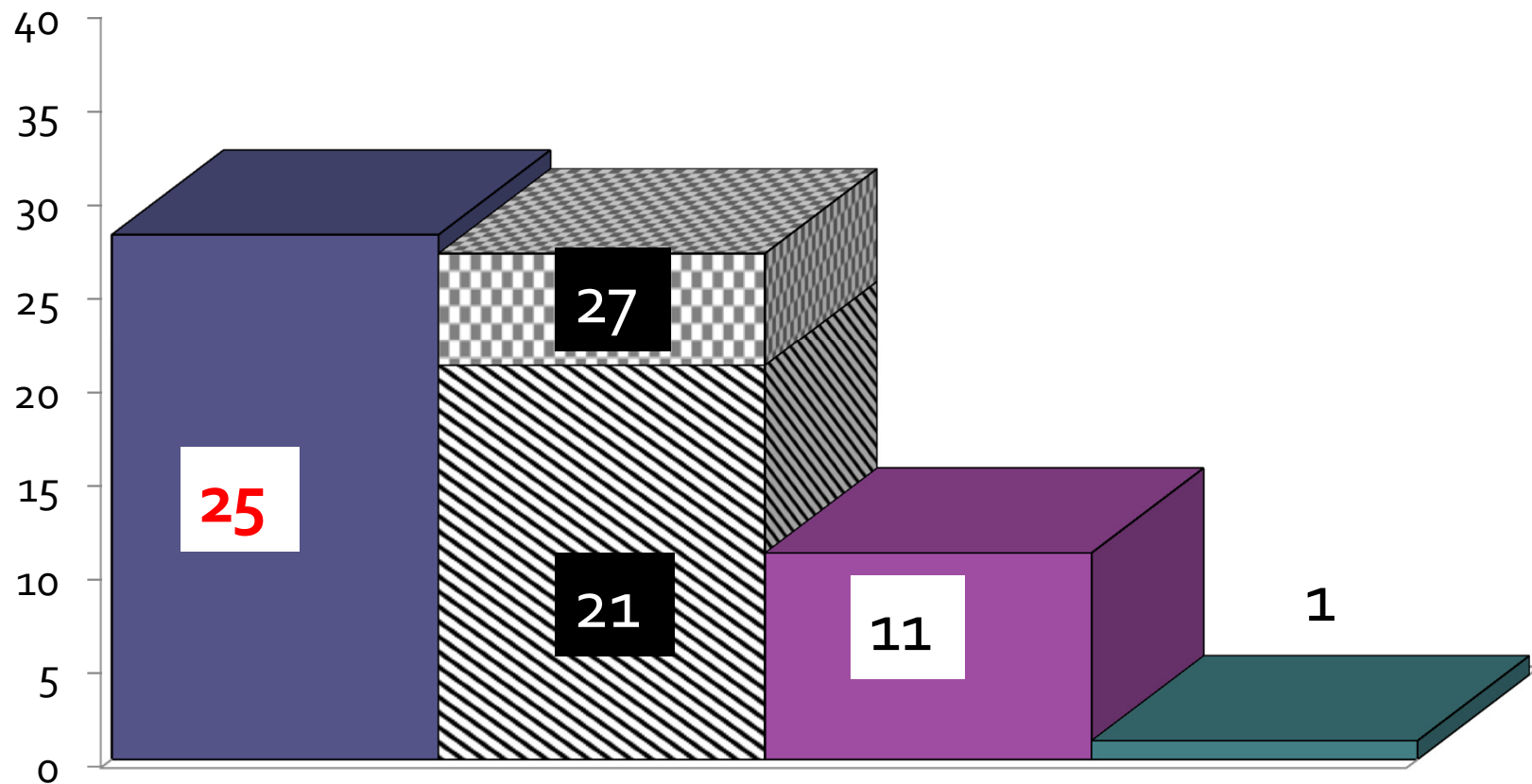
■ Democrats ▨ Votes to Pass a Bill & Budget ■ Republicans ■ Vacancy
▩ 2/3 Vote – Fiscal Bills



THE NEW REALITY: California State Legislature

2014 - Senate

■ Democrats ▨ Votes to Pass a Bill & Budget ■ Republicans ■ Vacancy
▩ 2/3 Vote – Fiscal Bills





LEGISLATIVE UPDATES

C.A.R. 2014 Sponsored Legislation

- AB 1513 (Fox) will make it a felony to unlawfully enter or refuse to leave real property owned or managed by another when requested to do so.
- AB 2018 (Bocanegra) will provide clarification in the regulation of “team” names by the California Bureau of Real Estate.
- AB 2039 (Muratsuchi) will require an auction company that takes over management of a sales transaction to indemnify the original listing agent for any liability created by the auction company’s actions.



C.A.R. 2014 Sponsored Legislation

- AB 2136 (Daly) will distinguish short-lived electronic communication (e.g., tweets, text, etc.) from transaction documents which must (CalBRE requirement) be retained in the REALTOR'S® files.
- AB 2169 (Cooley) will clarify independent contractor status.
- AB 2430 (Maienschein) will provide more specific HOA document delivery and disclosure standards and further limit the inappropriate bundling of documents in connection with condominium sales.



C.A.R. 2014 Sponsored Legislation

- AB 2540 (Dababneh) will direct the Bureau of Real Estate to require applicants as well as renewing licensees to supply a valid e-mail address to the CalBRE.
- SB 1091 (Galgiani) will require state agencies to publish pre-rulemaking activities in a central repository with a searchable and subscribable website.
- A joint resolution where the California State legislature resolves to support the preservation of existing Federal loan limits.



IN WASHINGTON



Federal Issues

- FHA Loan Limits
- Flood Insurance
- Mortgage Finance/GSE Reform
- Tax Reform/Mortgage Debt Forgiveness
- FHA Condo Requirements
- Credit Availability



History of GSE and FHA Loan Limits

Period	Statutory Authority	FHA			GSE	
		Limit	Ceiling	Floor	Limit	Ceiling
2006 - 02/12/2008	-	95% Med HP	\$362,790	\$200,160	\$417,000	\$417,000
02/13/2008 - 09/30/2011	ESA	125% Med HP	\$729,750	\$271,050	125% Med HP	\$729,750
10/1/2011 - 11/17/2011	HERA	115% Med HP	\$625,500	\$271,050	115% Med HP	\$625,500
11/18/2011 - 12/31/2013	ESA	125% Med HP	\$729,750	\$271,050	115% Med HP	\$625,500
1/1/2014 - forward	HERA	115% Med HP	\$625,500	\$271,050	115% Med HP	\$625,500



Impact on FHA Lending

MSA	% Affected FHA Loans	2013 Limit	2014 Limit	Drop in Loan Limit
Stockton	11.1%	\$488,750	\$304,750	38%
San Diego-Carlsbad-San Marcos	9.5%	\$697,500	\$546,250	22%
Santa Ana-Anaheim-Irvine	9.4%	\$729,750	\$625,500	14%
Riverside-San Bernardino-Ontario	8.7%	\$500,000	\$355,350	29%
Fresno	8.7%	\$381,250	\$281,750	26%
Oakland-Fremont-Hayward	7.7%	\$729,750	\$625,500	14%
Modesto	7.2%	\$423,750	\$276,000	35%
Bakersfield	7.1%	\$368,750	\$271,050	26%
Oxnard-Thousand Oaks-Ventura	6.3%	\$729,750	\$598,000	18%
Los Angeles-Long Beach-Glendale	4.0%	\$729,750	\$625,500	14%

SERIES: Percent Affected FHA Loans
SOURCE: CoreLogic, HUD, & Urban Institute



FLOOD INSURANCE

(The Biggert-Waters Act)

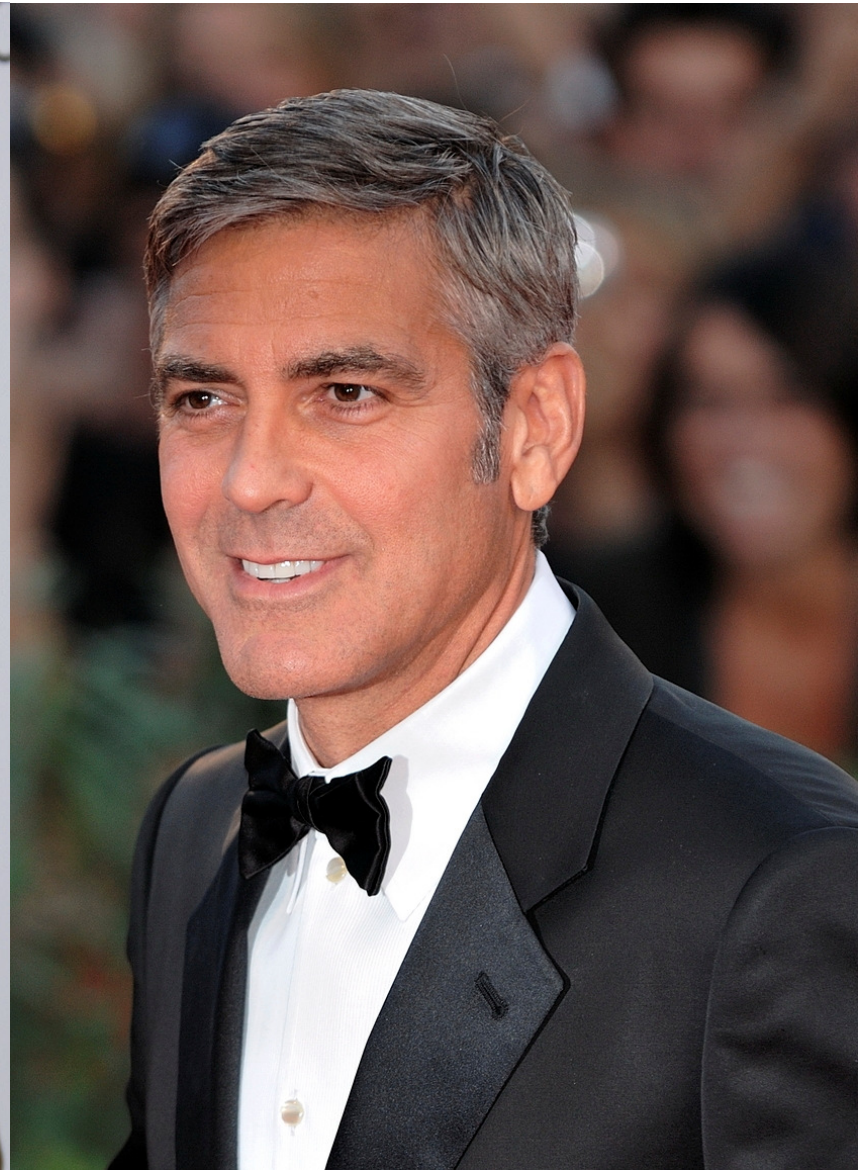
On March 21, 2014 President Obama signed the Homeowner Flood Insurance Affordability Act into law



Mortgage Finance/GSE Reform



WHAT IS SEXY???



JOHNSON-CRAPO

POLITICS AND POLICY

Plan for Mortgage Giants Takes Shape

Bipartisan Senate Proposal Envisions Home-Loan Market Without Fannie, Freddie; Firms' Shares Fall

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By NICK TIMIRAOS

CONNECT

Updated March 11, 2014 8:38 p.m. ET



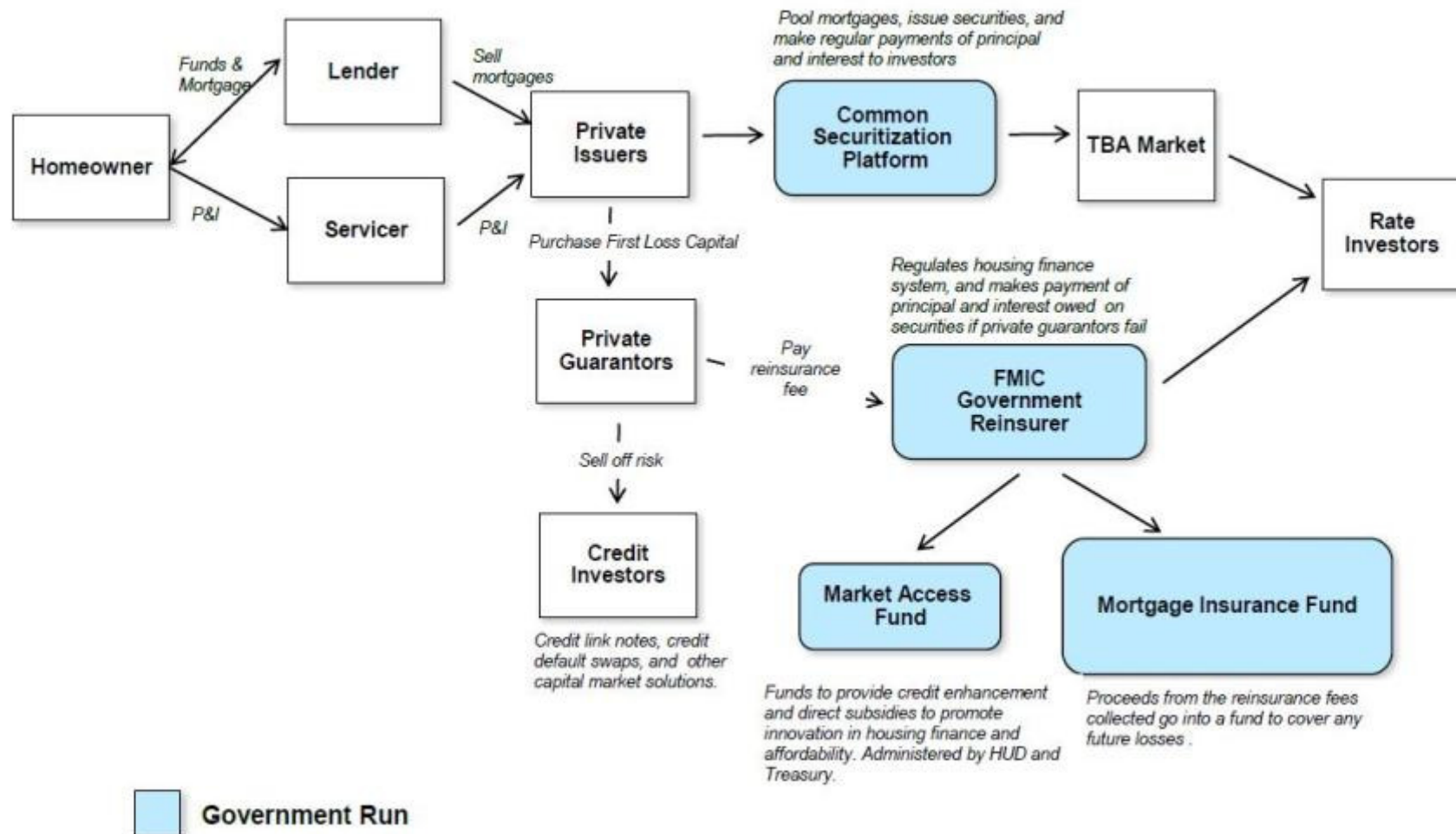
Popular Now

ARTICLES

China's Wagon



The Corker-Warner Solution: FMIC

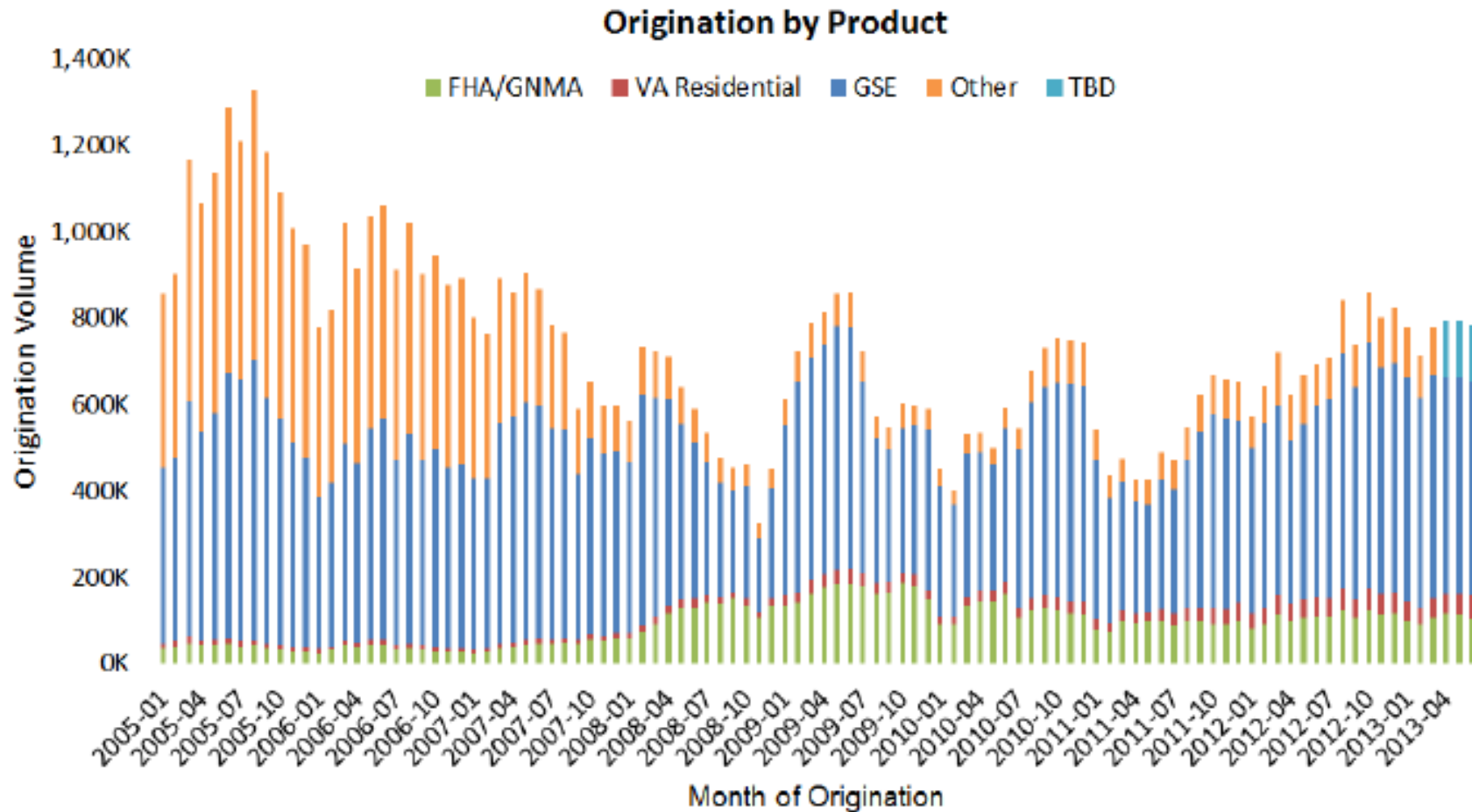


SERIES: A Pragmatic Plan for Housing Finance Reform
SOURCE: Milken Institute



Fannie & Freddie are the Market

Fee increases effective March 2014
Down <20% o, 680-760 credit scores



PATH Act vs. Corker-Warner vs. Johnson Crapo

- PATH Act

- Would wind down Fannie Mae and Freddie Mac
- Replaces GSEs with Mortgage Market Utility, no government-guarantee

- Corker-Warner

- Would wind down Fannie Mae and Freddie Mac
- Replace GSEs with government-guaranteed Federal Mortgage Insurance Corporation (FMIC)

- Johnson-Crapo

- Would wind down Fannie Mae and Freddie Mac
- Replace GSEs with government-guaranteed Federal Mortgage Insurance Corporation (FMIC)

PATH Act vs. Corker-Warner vs. Johnson Crapo

- PATH Act

- Lowers loan limits
- Mandatory risk sharing
- Increases G-Fee
- Silent on access to home equity loans
- Drastically reforms the FHA home loan program

- Corker-Warner

- Lowers loan limits
- Mandatory risk sharing
- Creates a G-Fee for affordable housing fund
- Limits access to home equity loans
- Does not address the FHA home loan program

- Johnson-Crapo

- Loan limits to be maintained
- 10% Mandatory risk sharing + FMIC
- Affordable housing allocations through FMIC user fee-10bp

CAR

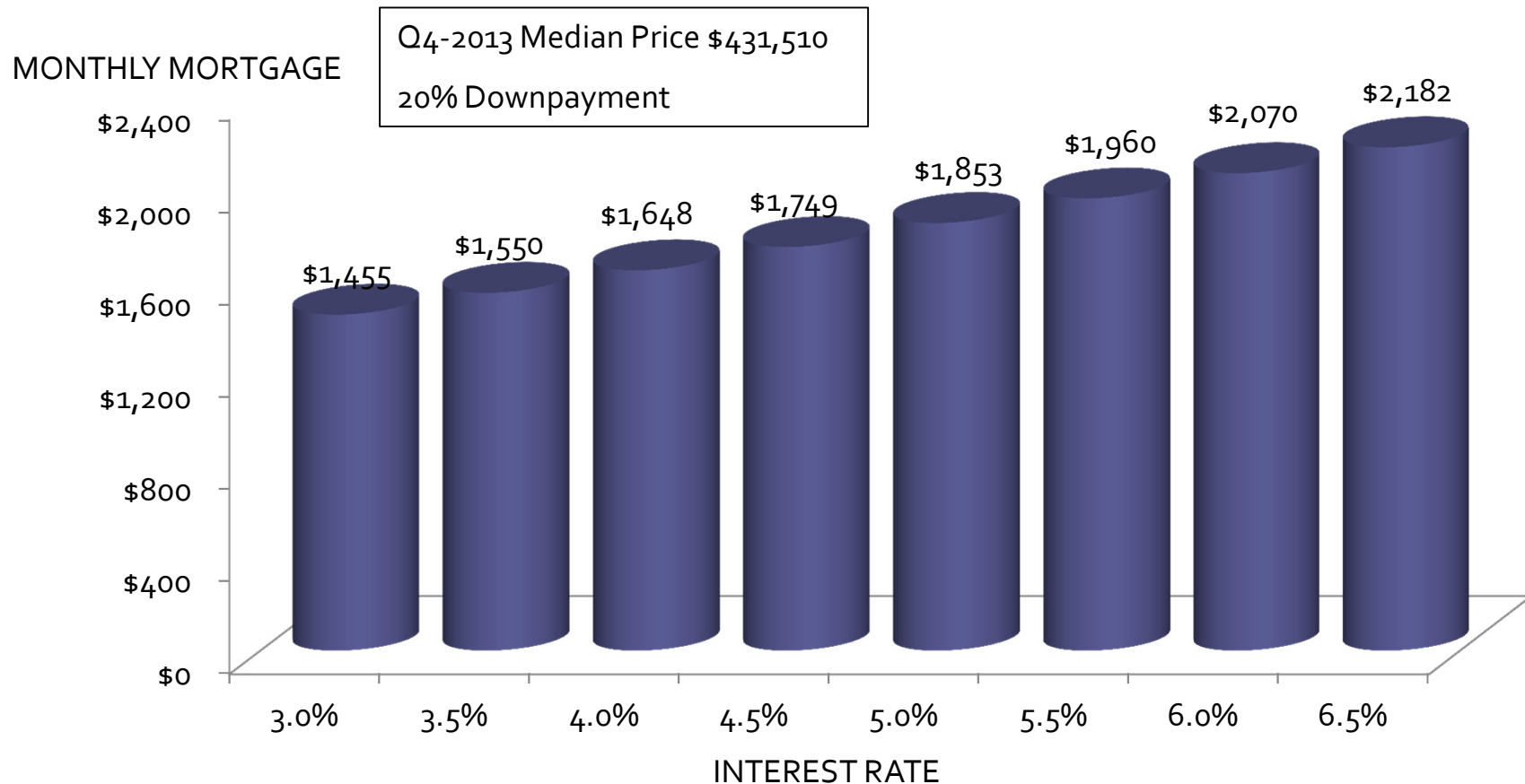
Essential Elements of Housing Finance Reform

- Maintain, at minimum, current levels of mortgage capital availability,
- Ensure capital availability during all housing and capital market cycles,
- Provide for a government guarantee of mortgages,
- Provide high-cost states with the same access to the government guaranteed mortgages as other states,
- Direct the regulator to determine appropriate risk-sharing levels determined by market conditions at any given time and not place a risk sharing alternative in statute.
- Separate FHA reform efforts from efforts to reform the government sponsored enterprises of Fannie Mae and Freddie Mac,
- Provide regulators with the necessary authority and maneuverability to react to changing market conditions without Congressional action,
- Allow the government guaranteeing entity or some government entity the capability to portfolio and/or purchase loans so lenders have the ability to sell their mortgages and recapitalize when private capital is not available on the secondary market,
- Preserve the ability of a homeowner to access the equity in their home through a subordinate mortgage; this issue is best left up to individual states who have already addressed this.



Median Monthly Mortgage Payment - CA

- What Will Happen When Mortgage Rates Increase?

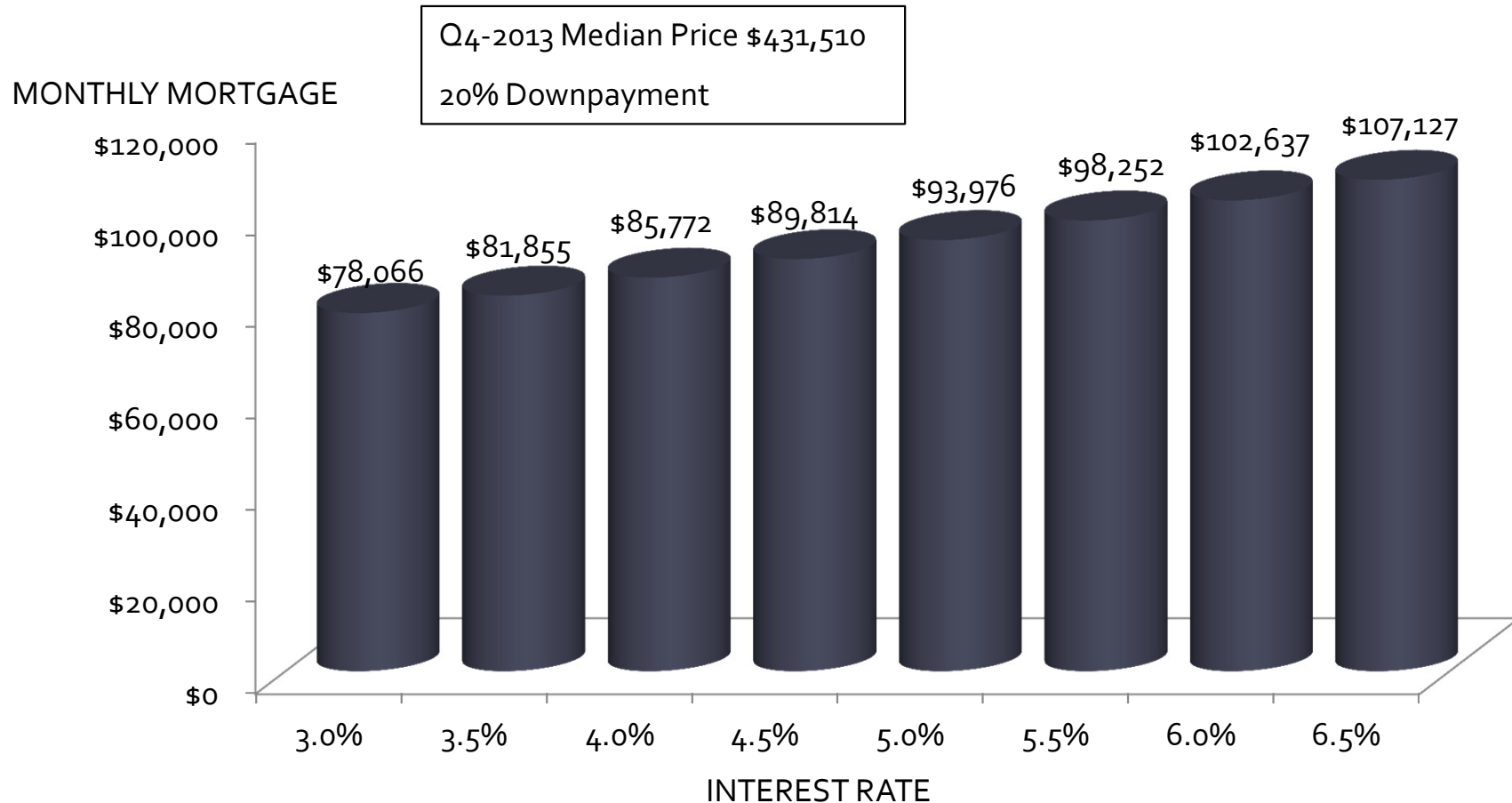


SERIES: Housing Affordability Index
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Minimum Qualifying Income - CA

- What Will Happen When Mortgage Rates Increase?



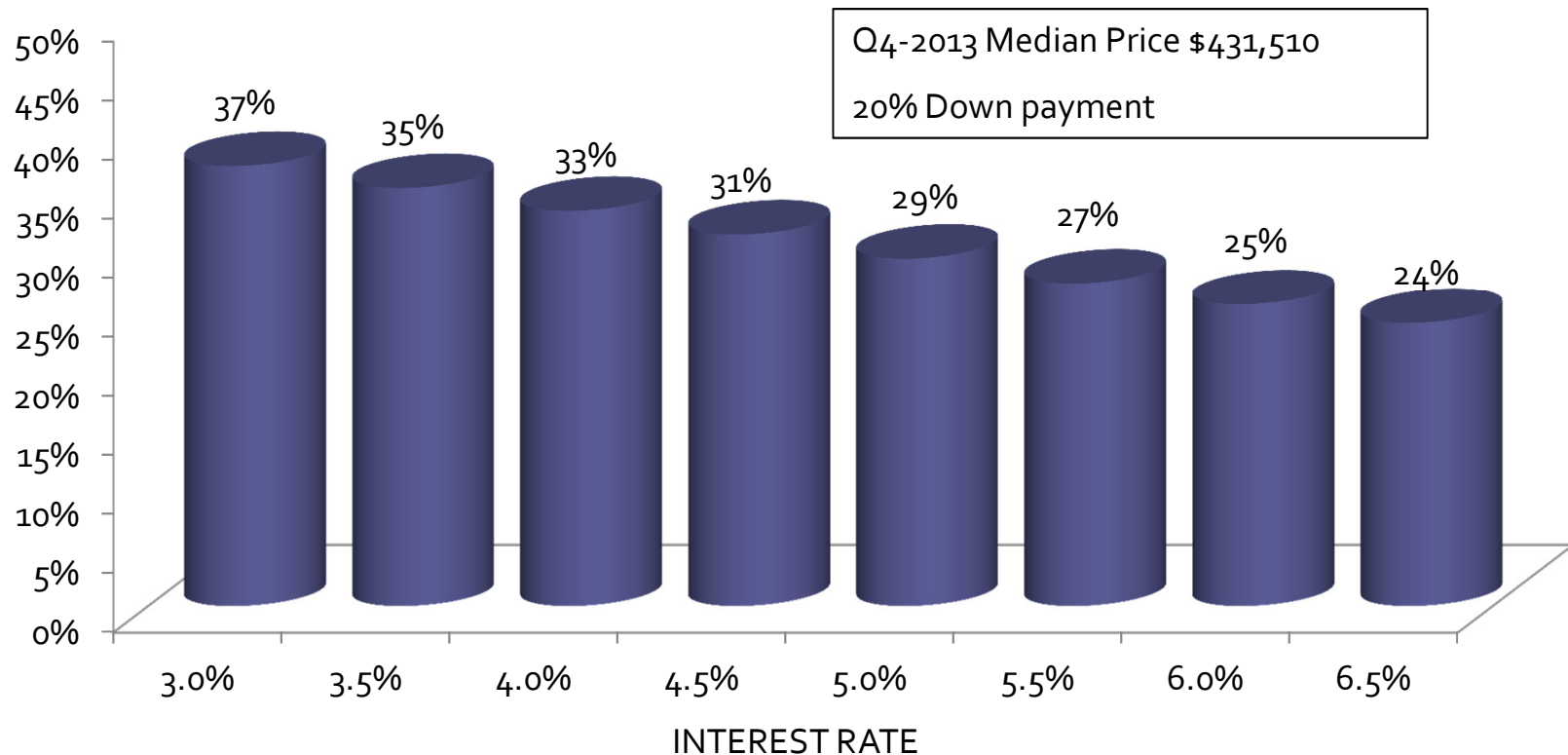
SERIES: Housing Affordability Index
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®



Housing Affordability Index - CA

- What Will Happen When MORTGAGE RATES Increase?

% OF HOUSEHOLDS THAT CAN BUY, ALL ELSE CONSTANT



SERIES: Housing Affordability Index
SOURCE: CALIFORNIA ASSOCIATION OF REALTORS®

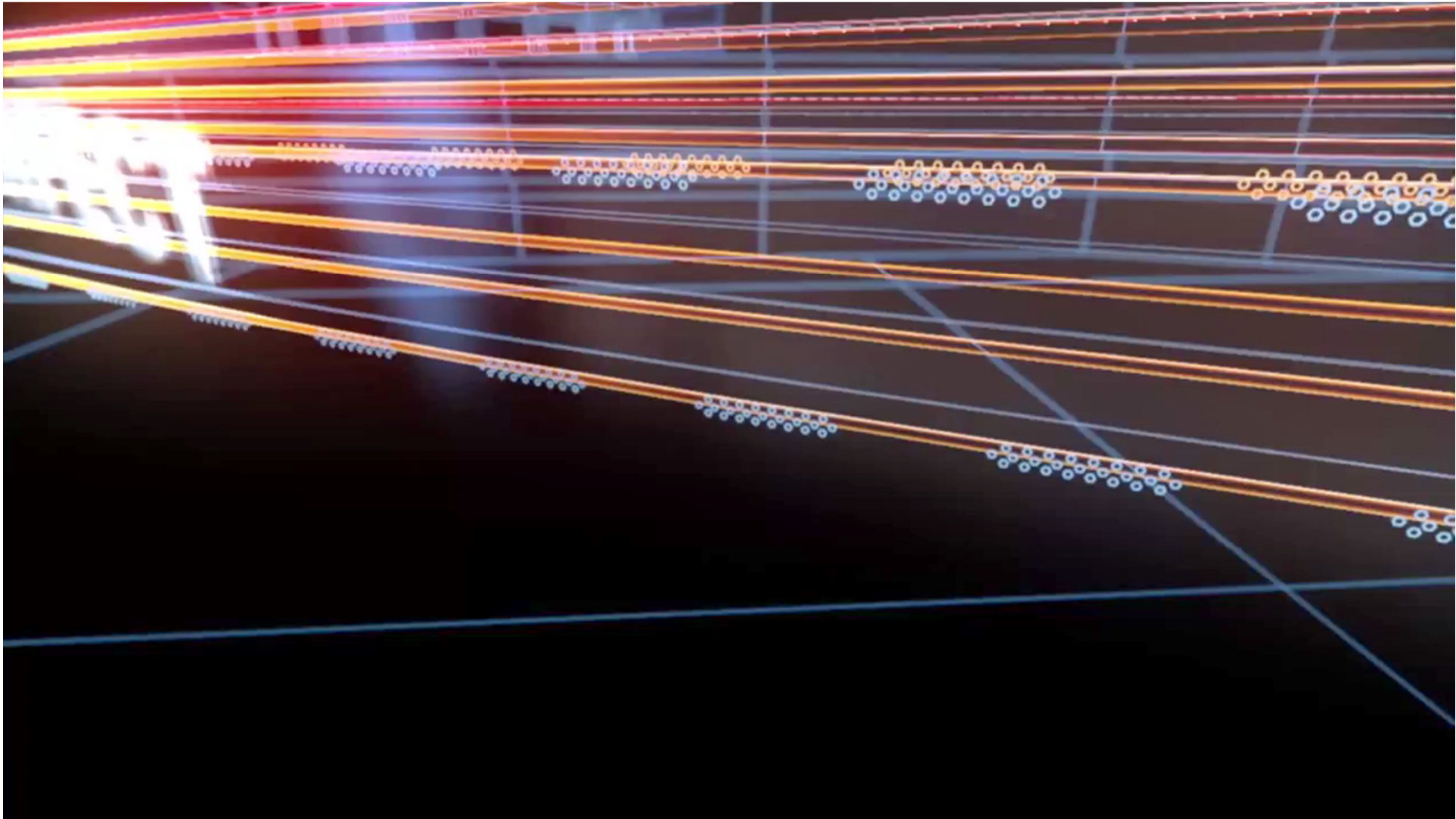




★ VOTE ★
★ ACT ★
★ INVEST ★



Call for Action



DRE Update



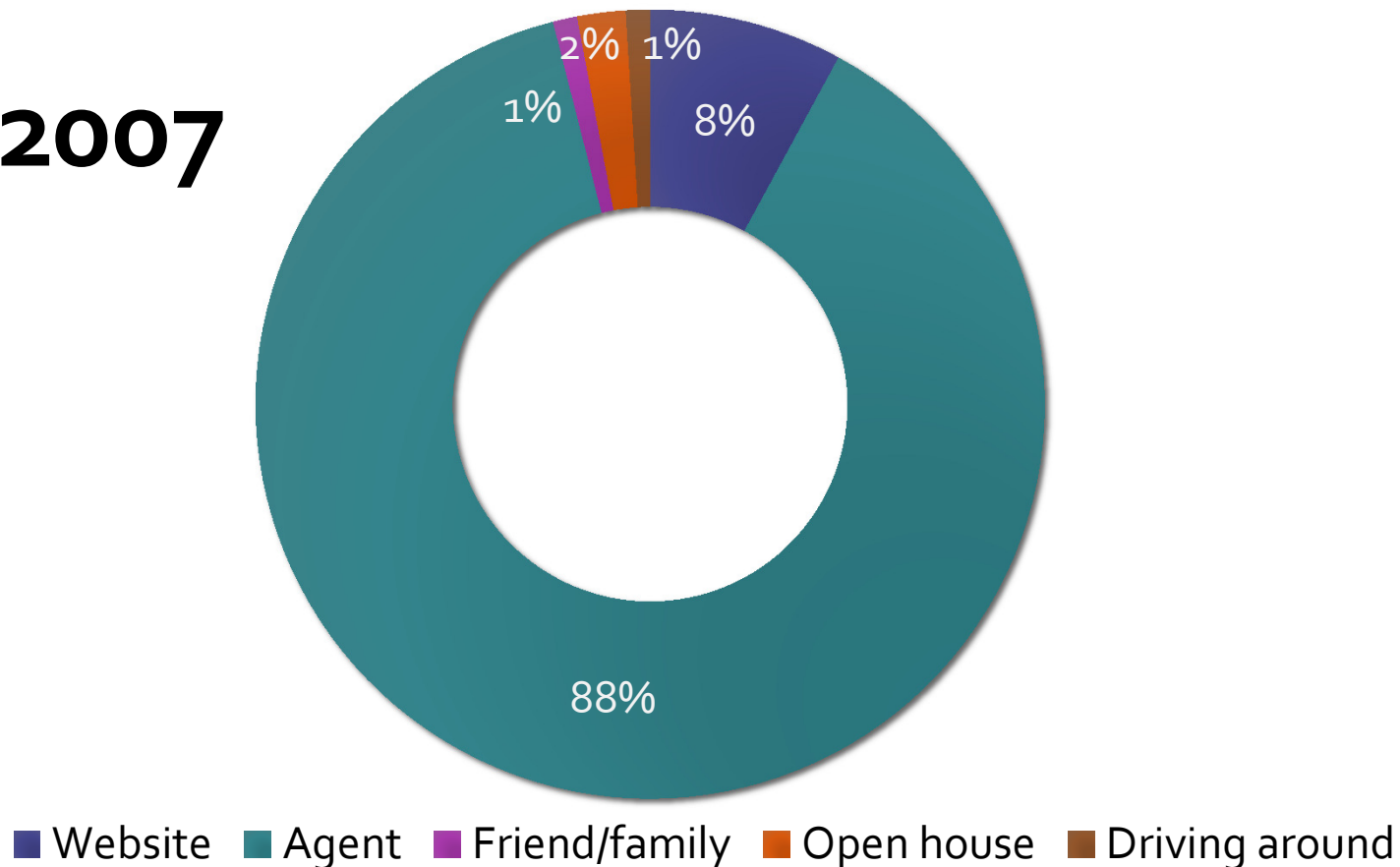
DRE Update

- Wayne Bell is the new Commissioner
- Bureau of Real Estate as of July 1, 2013
 - Department of Consumer Affairs (DCA).
- 413,000 licensee's
 - 24,000 MLO's
- 3500 case with 316 Investigators
 - Loan Mod, Forensic MOD, SS, unlicensed activity
 - Willful violators
- 30 Auditors
 - Trust Fund Conversions, misuse of funds
- 72 Sworn "Police" Officers with the BRE
 - Powers of arrest
 - Desist & Refrain Order currently



2007: Almost 9 out of 10 Buyers Said They Found Their Home through Agent

2007

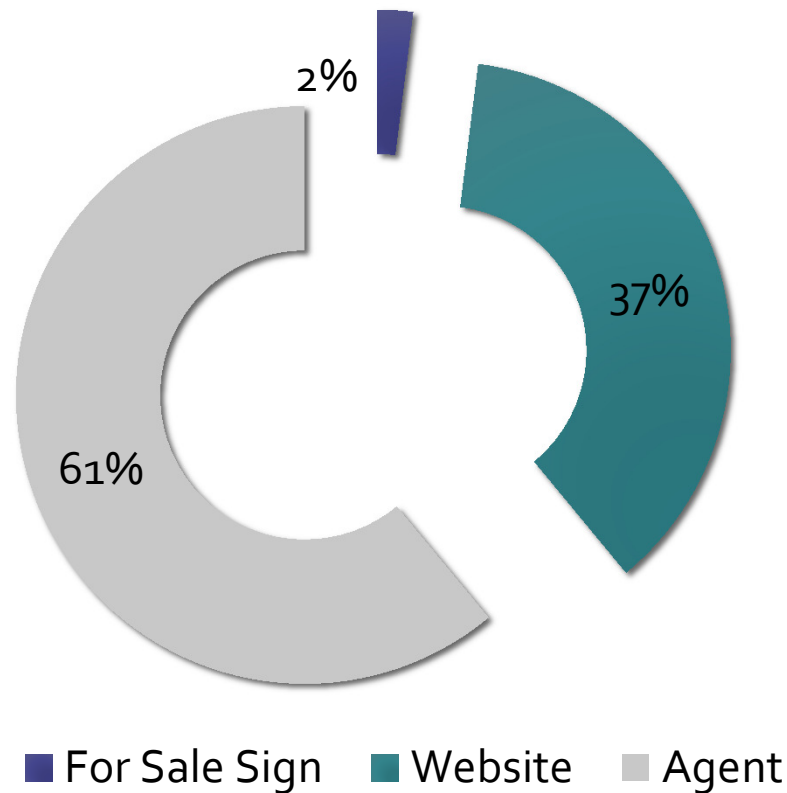


Q. How did you find the home you purchased?



2013: 6 out of 10 Buyers Said They Found Their Home through Agent

2013



Q. How did you find the home you purchased?



For all that you do!







PLEASE STAY INFORMED!

WWW.CAR.ORG/MARKETDATA

KEVINB@CAR.ORG