

... thru the

June 2003

GRAPE INE

ROCKFORD AREA ASSOCIATION OF REALTORS®

The Voice For Real Estate™ in the Greater Rockford Area

National Homeownership Month





President's Message

by Carl Wasco, President

The Rockford Area Association of REAL-

TORS® is joining REALTORS® across America in a celebration of National Homeownership Month.

For the second consecutive year, President Bush has designed the month of June as a time to promote the power of homeownership and to increase the ranks of homeowners – especially among minorities. The White House is challenging public and private entities to work together to boost minority homeownership by 5.5 million homeowners by 2010.

Our Association is one-thousand percent behind this important nationwide initiative. As REALTORS®, unlocking doors to homeownership is our business, and National Homeownership Month is a good time to raise awareness about the important social, economic and personal benefits of this cornerstone of the American Dream.

Every day REALTORS® across Illinois and across America are helping people say, "This is my home!"

The word "home" means security, comfort, family, happiness and so much more to people. It's our business to

bring people to homes of their own. But, we don't just sell houses, we sell neighborhoods, and we help to make our communities strong, great places to live. Owning a home gives people a stake in something bigger than themselves. They want to make their hometown a better place to live.

NAR research indicated that homeowners are more likely to vote and that they volunteer their time for political and charitable causes more frequently than renters do. For homeowners, the value of their home – the largest investment many of them will make in their lifetimes – creates an incentive to stay abreast of local governments.

Creating a better America starts right here in Rockford. When we make our community strong, we're doing something positive for the entire nation. The Rockford Area Association of REALTORS® Affordable Housing Committee and Equal Opportunity Committee do a wonderful job of providing education to the community that will assist future homeowners. I challenge any of you to become involved with projects in your community that raise the level of homeownership.

...thru the GRAPEVINE

A ROCKFORD AREA ASSOCIATION OF REALTORS® PUBLICATION

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Counselor's Corner

REVISITING BROKER LIABILITY

by Keith Hyzer

HYZER, HYZER, ZIMMERMAN & JACOBS

Our Second District Appellate Court just decided a case from DuPage County involving a real estate company and one of its agents. The suit was brought by buyers of a Bollingbrook residence. The broker's sales brochure stated "Acclaimed [school] District 204". Sellers had no children and made no representation regarding the school district. The buyers moved into the home and their children attended District 204 for three years. When it was discovered that the property was actually in another district, the buyers sold their home and purchased another home located in District 204. The buyers sued the broker and its agent claiming common law fraud, negligent misrepresentation and violations of the Consumer Fraud Act and Real Estate License Act. The trial court dismissed all counts of the complaint as a matter of law and the buyers appealed. In a lengthy and detailed opinion, the court analyzed each of the claims. The trial court was upheld on the common law fraud claim on the basis that no facts were alleged that the brokers knew the statement about the school district was false. The Appellate Court, however, reversed the trial court as to the Consumer Fraud Act, negligent misrepresentation and violation of the Real Estate License Act.

As to the Consumer Fraud Act claim, the court held that innocent misrepresentation or omissions intended to induce the buyers reliance were actionable, rejecting the brokers argument that the Act did not apply to a broker communicating false information unless the broker knew it was false. The court stated that the Act protected a broker only when the seller, knowing the information to be false, furnished that information to the broker. The Court also rejected the argument that both parties are presumed to be capable of knowing the law especially in view of the fact the buyers had independently inquired of the school district and had been erroneously informed that the residence was in the district as represented by the brokers.

As to the claim for negligent misrepresentation, the court stated that all the buyers needed to allege was that the defendant was negligent in ascertaining the truth of the statement contained in its sales brochure.

The Real Estate License Act provides that licensees shall treat all customers honestly and shall not negligently or knowingly give false information. The Act protects the licensee who provides false information furnished by a client if the licensee did not know the information was false. In this case, however, the sellers furnished no information regarding the school district.

Since this case was decided on the pleadings only, it does not mean that the broker and his agent cannot prevail at trial. However, the case contains an excellent analysis of the typical causes of action brought against real estate brokers and their agents and indicates the standard to which they will be held in applying Illinois law to a particular set of facts.

The messages I see in this case include:

1. Documenting and verifying information contained in listing agreements;
2. Not relying on information contained in prior listing agreements; and
3. Not relying on presumptions that all parties in all instances are presumed to know the law.

In speaking to our new licensees over the years, I have always emphasized that brokers and salespersons may well be held to a higher standard of knowledge and expertise than the clients with whom they deal.

Standards of Communication

By Keri Tongue, Doyle Woodhouse & Moore

Most people would agree that time is money and wasted time becomes worthless. As a former full time agent and current staff member, I respectfully submit that there are a few things all agents in the business could do to save themselves time and therefore more money. These suggestions could be called "Standards of Communication."

Identifying yourself as an agent is not only time saving, but it is the law. As an example, when calling into a Real Estate Office from the field for information on a listing, it is imperative that you identify yourself immediately to get what you need quickly. If you do not identify yourself first, the staff member you are speaking to will perceive you as a floor call and your time and theirs will be wasted. Almost every phone call made by an agent should start with, "This is Susie Doe from John Doe Realtors," especially if it is a call into another real estate office.

After identifying yourself, a quick statement as to the purpose of your call is the best way to communicate and help the receptionist to direct her activity to handling your call. Here are a few suggestions:

- Susie Doe or her voice mail please.
- I need to reach Susie Doe as soon as possible.
- I need to see if I have been confirmed for a showing I requested.
- I'm calling to cancel a showing that has been confirmed.
- I'm calling to speak with your closing department please.
- I need the listing number of one of your properties.

An exception to identifying yourself first might be when you are calling to set up a showing. In this case the first words spoken by an agent should be, "I'd like to set up a showing." A staff member generally fills out a 'Show Notice' to complete your request. They take hundreds of calls and even if you just gave your name, they will ask you to repeat it when they begin filling out this form.

This is a quick and concise approach to communication. With the busiest part of our year upon us, I hope you find the use of these ideas a simple way to make your time more profitable.

RAAR Breaks All Records Again!!!!

\$11,335 RAISED FOR RPAC

A huge thank you to the RPAC Committee, sponsors, contributors, participants and volunteers who made this event possible:

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Man's Best Friend, Mold's Worst Enemy

By Susan Romero,
Inman News April 2003



Home inspection companies across the nation are purchasing what has been traditionally known as man's best friend to do mold inspections. A Miami couple who started a mold detection company with the purchase of a \$12,000 mold dog was surprised by how quickly their "working dog" went to work. The dog unexpectedly detected mold in the couple's own bathroom within moments after they brought the dog home.

Bill Whitstine, a certified master dog trainer and owner of Florida Canine Academy, was not surprised by his student dog's fast find. The academy which trains dogs to detect bombs, drugs, money, weapons, termites and accelerants now trains them to find mold. Traditional mold testing hardware can confirm the presence of mold, but locating the exact source can require repeat testing and some unnecessary demolition of the property. A mold trained dog can put its nose "right to the spot where the mold is" and alert the handler to where the mold begins and ends, says Mr. Whitstine. He claims a dog's ability to hone in immediately on the mold source, even if it's behind walls, under floors or above ceilings, potentially can save homeowners thousands of dollars and help them avoid unnecessary demolition. MoldDog and the training process used by Whitstine is trademarked, however he did divulge that he adopts many of his dogs from the Humane Society. He selects dogs that are between 10 months old and three years old who appear to be friendly, energetic and intelligent. Whitstine feels any dog breed is capable of being a trained MoldDog, but he

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REALTORS® Roll Up Their Sleeves For National Homeownership Month

REALTORS® across America are honoring National Homeownership Month in June with celebrations, community service projects and housing initiatives, all designed to bring more individuals and families into homes of their own.

For the second consecutive year, President Bush has designated the month of June as a time to promote homeownership as a cornerstone of democracy and economic strength and to increase the ranks of homeowners – especially among minorities. The White House has challenging public and private entities to work together to boost minority homeownership by 5.5 million homeowners by 2010.

"REALTORS® are in the business of advancing homeownership opportunities for all Americans every day, and during National Homeownership Month we are going beyond business-as-usual," said Cathy Whatley, president of the NATIONAL ASSOCIATION OF REALTORS®. "In honor of this special month, REALTORS® are sponsoring activities such as property improvement projects to aid the needy, essay contests centering on the theme of homeownership, financial counseling, home-buyer fairs, neighborhood revitalization initiatives and a whole host of community relations events," she said.

NAR launched the Housing Opportunity Program last year, and Whatley issued a challenge to NAR's state and local associations of REALTORS® to get involved in a least one affordable housing initiative by June. Hundreds of REALTOR® associations involving thousands of individual REALTORS® have done just that. The Housing Opportunity Program focuses on narrowing the homeownership gap through coalition building, research, training and communication using a Web site as its centerpiece.

Among NAR's other ongoing programs in the affordable housing and minority homeownership arena are:

- The H.O.P.E. (Homeownership Opportunities for Everyone) Awards program. NAR and its partners and cosponsors recently completed a second cycle of identifying and rewarding individuals and organizations that are making outstanding

contributions to promote minority homeownership.

- Partnerships with Habitat for Humanity to Build an affordable house for a family at each of NAR's annual convention cities and to cosponsor the "Houses that Congress Built" and "Houses The Senate Built" programs.
- Advancing legislation such as the American Dream Downpayment Act, improvements to the Federal Housing Administration's mortgage insurance program and tax credits for affordable housing.
- The "At Home with Diversity" program. This joint effort with HUD is designed to help real estate companies diversify their workplaces and certify real estate professionals who are trained in diversity outreach and have made a commitment to diversity principles.

REALTORS® know that increasing America's homeownership is not only good for families, but also good for the economy and communities, as well. "Because homeowners put down roots, they tend to participate in community affairs and the business of local government. That commitment to make the democratic process work leads to better local communities," Whatley said.

On the local level, the Rockford Area Association of REALTORS® Affordable Housing Committee and Equal Opportunity Committee have been involved in various activities and initiatives in order to support NAR's efforts. They have been offering credit presentations to the local high school seniors to better prepare them for when they are ready to purchase a home. They have also coordinated efforts with the Rockford Area Affordable Housing Coalition in coordinating an Annual Home Buyers Fair that would offer the public information that could benefit them in their future home purchases. For the second time, RAAR will be hosting the "At Home with Diversity" course which was brought back by popular demand. Members are highly encouraged to take advantage of this offering that will be held on Friday, September 12, 2003. For more information regarding this course you may go to raarmls.com and link to education.

Man's Best Friend, Mold's Worst Enemy...

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prefers mutts because they present "the best of both worlds" sans some of the health problems more common to pure breeds.

"A MoldDog can detect but not differentiate 18 types of mold common in the United States," says Whitstine. He has been training mold-detecting dogs for approximately five years, but began selling the dogs only seven months ago. He has sold 25 of the dogs to home inspectors, mold inspectors and remediators and others. The Canine Academy was deluged with orders for bomb sniffing dogs during the eight months after September 11, 2001. This demand stalled the MoldDogs division's plan to market and sell mold-detecting dogs, but that plan is now back on track, claims Whitstine.

Bob Carter, owner of Elite Detection in Tucker, Georgia, purchased a chocolate lab two months ago and has inspected approximately 15 commercial and residential properties. Carter uses a visual inspection, moisture readings, a building owner questionnaire and the dog to evaluate

whether a building has mold in it. If his lab doesn't "alert" to mold, Carter considers the building to be mold-free. Otherwise, further testing in a laboratory is done, he said. Carter believes working with a dog returns fast and consumer-friendly results. He charges approximately \$500 for a basic inspection and won't cut into walls or floors unless further testing is required.

Not everyone is a fan of mold-detecting dogs. David Kichula, owner of Roosevelt, N.J.-based Air Consulting Services, questioned the expertise of a novice inspector/dog team. Kichula said only an expert knowledgeable about building and plumbing systems and the dynamics of moisture can determine the presence of mold, even if it's inside walls, with a visual inspection of water damaged areas. He said it's "unrealistic" to expect a person with no industrial hygiene experience and a dog to replace an expert. At best, he said, a dog could be an effective "tool" as long as the tool was wielded by an expert.

Member Meanderings

AGENTS

New

Ray Bare, C-21 Country North
Michael Basak, Whitehead Inc
Gene Belter, Dickerson & Nieman
Daniel Blaser, Whitehead Inc
Kenneth Brown Sr., C-21 Country North
Angela Brun, Dickerson & Nieman
Mark Cook, Tom McKiski
William Fromm, C-21 Country North
James Haas, C-21 Country North
Carolyn Handy, Whitehead Inc
Michele Hillpot, C-21 Country North
Shannon, Hillpot, C-21 Country North
Dawn Kahle, C-21 Country North
Marilee Kutz, C-21 Country North
Justin Lang, Whitehead Inc
Nidia Laurencio, C-21 Country North
Donna Lavaty, C-21 Country North
James Lewis, Best Realty
Jason Luethje, Whitehead Inc
Bradley Marinelli, Whitehead Inc
Joseph McCarren, Gambino GMAC
Paula Morris, Dickerson & Nieman
Jodi Orr, Dickerson & Nieman
Gary Osborn, Dickerson & Nieman
Luis Reynoso, Doyle Woodhouse & Moore
Michelle Romano-Huber, C-21 Country North
Josh Ryan, C-21 Country North
Frank Savitski, Dickerson & Nieman
Jan Shaw, C-21 Country North
Mark Shoemaker, C-21 Country North
Kimberly Summers, C-21 Country North
Brian Thompson, Covenant Realty
Roy Vassel, Covenant Realty
Anna Vavaroutsos, Meltmar, Inc.
Sherri Yelland, Gambino

Transfers

Rebecca Adams, Whitehead, Byron
James Hass, Whitehead Inc., Byron
Ryan Cooper, C-21 Country North- Roscoe
Dan Jones, C-21 Country North- Roscoe
Ross Zammuto, C-21 Country North-Roscoe
Julie Adami, Gambino GMAC
Cindy Chew, Gambino GMAC
Bob Nieman, ReMax Property Source
Deborah Nieman, ReMax Property Source
James Heden, Hackman Realtors
Lisa Heinzeroth, ReMax Property Source
Sharron White, Whitehead Inc.-Roscoe

Drop

Sharon Jensen, Whitehead Inc.
Gloria Taylor, Diamond Realty
Deborah Heath, C-21 Country North, Byron
James Johnson, Gambino GMAC

OFFICE

New

C-21 Country North, Rich McFarlane, DR
5306 Williams Drive, Roscoe, IL 61073
(815) 623-1221 Fax (815) 623-5121

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Rockford Heating & Air Conditioning
Contact: Mark Buckner
1618 Magnolia Street, Rockford, IL 61104

Irwin Mortgage
Contact: Bruce Biggers
4920 E. State Street, Rockford, IL 61108

HCP Mortgage
Contact: Tracy Wallshlaeger
120 S. Phelps Ste. 514, Rockford, IL 61108

2003 Homebuyers Fair



**Equal Housing
Opportunity**



The Rockford Area Association of REALTORS® Affordable Housing Committee and the Equal Opportunity Committee participated in the Annual Home Buyers Fair that is hosted by the Rockford Area Affordable Housing Coalition at Rockford College on Saturday, April 12, 2003.



Mark Your Calendars!

Meetings are held at Association offices unless otherwise noted.

June

- 4 Governing Board Mtg. 12:00 p.m.
- 5 Publishers Class 9:00a.m. - 11:30 a.m.
- 10 Social Committee 1:00 p.m.
- 10-12 Indoctrination
- 11 Equal Opportunity Committee 10:00 a.m.
- 12 Mortgage Burning Party/Cookout 4:30 – 6:30
- 13 Education Committee 10:00 a.m.
- 16-20 R.A.M.P. Benefit Drive
- 19 WCR Luncheon - Forest Hills Country Club - 11:30 Networking 12:00 Lunch

July

- 4 Association Offices Closed
- 21 Annual Play Day, Forest Hills Country Club

September

- 4 General Membership Luncheon-Speaker: Doug Scott
- 12 At Home with Diversity - 6 Hours of Elective CE - Terry Watson (Online Registration Available)
- 19 Annual Installation Banquet

October

- 23-24 CCIM Introductory Course - Frank Belle

November

- 5-10 NAR Convention - San Francisco



Equal Housing Opportunity

Note: Making note of events on one's calendar does not replace the registration process. Registration forms for all events will be mailed at a later time and must be submitted with payment to reserve a seat.



“RING ’n SWING”

2003 Annual Play Day

Monday, July 21, 2003
Forest Hills Country Club
Breakfast - Golf- Lunch - Dinner - Prizes

Whether it is for business or pleasure,
 this is the place to be...invite a business guest,
 compete with a friend or just come have fun!

Registration form in this mailing

Book of the Month



“Instant Tax Relief for Real Estate Agents”

April 15th came and went. You are just now recovering from the shock of what you had to pay the IRS. This book will offer suggestions on how to soften the blow for next year. Author Ed Lyon is a tax consultant and financial planner who helps agents and real estate professionals save thousands in taxes. Lyon has appeared on over 100 radio and TV broadcasts and is dubbed by the Roseanne Show as “the funniest tax guy in America”. Instant Tax relief for Real Estate Agents offers six easy-to-understand sections outlining how the tax system works, tax strategies for buying residential and commercial property, and the most comprehensive list of tax deductions, credits, loopholes, and strategies for agents everywhere. To purchase a copy call 1-800-347-7707 or access the realtor.org website and click on the following links: member benefits, Realtor VIP Alliances, Real Estate Publishers and southwestern.

Rockford Area Association of REALTORS® April Comparative Sales

	HOUSES AND CONDOS				ALL CLASSES				
	2003	2002	2003 YTD	2002 YTD	2003	2002	2003 YTD	2002 YTD	
Sales	554	517	1712	1690	Sales	615	569	1940	1874
Volume	\$65,984,105	\$57,556,333	\$198,351,656	\$184,761,698	Volume	\$73,166,857	\$61,829,883	\$220,268,995	\$202,097,891
New Listings	882	825	2948	2812	New Listings	1006	1000	3485	3341
Average Sale	\$115,860	\$109,326			Average Sale	\$113,541	\$107,843		
Current Listings	1789	1719			Current Listings	2437	2413		