



NEWSLETTER

A WORD FROM GENERAL COUNSEL • August 2004

JUST WHEN YOU THOUGHT IT WAS SAFE To Complete The Financing Provision In The FAR-6 CONTRACT (Background music from JAWS, please REVENGE OF THE FAR-7 CONTRACT!)

U h-Oh! Guess What?? The Florida Association of Realtors is considering the release in October of the new-and-improved version of the purchase and sale contract, and, u y vey, we just got a glimpse of the agreement! “Going to be some changes ‘round here—there’s a new sheriff in town!” As Forrest Gump might say, “Well, that’s all I have to say about that.” (Just got the word that the release may be delayed to take the contract back to the “drawing board” for further revisions to the new financing section.) I’ll keep you posted. *If and when* the new contract is approved for distribution, Beth and I will make arrangements for some “town meetings” to review the contract. Meanwhile, just relax and enjoy the rest of summer!

NEW LEGISLATION: There were several legislative bills and session laws adopted in the most recent legislative session which pertain to real estate. Here are two pertinent laws:

Session Law Ch. 2004-349 (SENATE BILL 2444), effective January 1, 2005, provides a mandatory Property Tax Disclosure Summary to be included with, or incorporated into, the purchase and sale contract for residential property. The purpose of the disclosure is to advise the buyer of “Amendment 10” so that the purchaser will be aware that he or she will be obligated to pay real property taxes and that a change in ownership of the property will trigger a reassessment of the property which may lead to higher property taxes.

Session Law Ch. 2004-353 (SENATE BILL 2984), effective October 1, 2004, (Section 718.110(13), Florida Statutes), pertains to *any amendment to a declaration of condominium which restricts the rights of the unit owner to lease their unit*, so that such an amendment will apply only to those unit owners who consent to the amendment and to those unit owners who purchase their units after the effective date of the amendment.

Commentary: This condominium legislation seeks to address the recurring problem the market has experienced in the past few years with condo associations amending their declaration of condominium to restrict the ability of an owner to lease their unit. Many associations are trying to limit the number of renters or investors in the condo development. I believe that this provision seeks to redress the situation where an owner originally purchases a condo for the sole purpose of renting it, and shortly after the closing, finds he or she is now in violation of new rules adopted by the condo association prohibiting the rental of the unit, which places the owner at odds with the association, and often leads to litigation. The law now provides that, if amended, **the restriction shall apply only to owners who consent** to the amendment. For example, if the bylaws of the condo association provide that 75% approval of the owners is required to amend the declaration to restrict leasing, and 80% of the owners approve the amendment, the 20% of the owners who did not approve or consent to the amendment are **not** bound by the provisions in the amendment prohibiting rental of the unit. *In addition, it seems that this provision applies only to owners who purchased their units after the effective date of the amendment.* This provision should limit the effect of changes to those buyers with actual notice of an existing rental restriction, and protect new purchaser/ investors from being “sandbagged” by totally unexpected changes in condominium rules restricting leasing.

EDITORIAL

Personal Observations From The Editor
(and yes, it is my business!):

**“CONTROLLING YOUR
TRANSACTIONS” OR
“WHY YOU SHOULD CARE ABOUT
THE COMPANY YOU KEEP”**

Last week was interesting—I had four different agents call me to help them straighten out rather significant problems with mortgage lenders and closing agents who

were not cooperating with them or their clients, who were impeding a closing, and who had placed the closings in jeopardy of litigation over the deposit. I was able to resolve two matters, and am still working on the others with no assurances of success because I have to depend, in part, upon the good faith cooperation of the mortgage lender and closing agent, which so far, has not been forthcoming.

I am a bit perplexed. As an agent, you spend a lot of time and money on advertising, marketing, networking, and developing the skills necessary to become a successful real estate agent. You invest a huge amount of “sweat equity” in developing your client base and in growing a solid reputation in the community so that people will use your services. Sometimes you spend hours of time researching and visiting multiple listings until your buyer finds “just the right one.” You continuously show your seller’s property at “open houses”, “broker’s opens”, or listing appointments, until you’ve got a buyer who is ready, willing and able to buy. You may spend countless hours negotiating, re-negotiating, and finally, getting those parties to “sign on the dotted line”—the great moment when you’ve got an executed contract. It’s easy to see why you might want to sit back and relax once the contract has been signed—it’s a relief just to have an executed contract.

After working as hard as you do to get a signed contract, why would you chance the outcome of a successful closing on an unreliable or unknown mortgage lender or closing agent?

But this is the time you have to make a few more critical decisions. After all, you’re not in this alone—you’re going to need some help to get it closed. So, I ask you—after working as hard as you do to get a signed contract, why would you chance the outcome of a successful closing on an unreliable or unknown mortgage lender or closing agent? If you’re working hard and care about your client, shouldn’t you expect the mortgage lender and closing agent to work equally hard and care equally as much about your transaction as you do? You should! You’ve heard me say that the real estate agent should be the “quarterback” of the transaction. That doesn’t necessarily mean that he or she has to control the transaction or to control everyone participating in the transaction. However, it does mean that you need to know what’s going on in every facet of your transaction, and have people accountable to you and your client, so that you may help move the transaction toward a smooth closing. If you close your eyes and hope that everybody in the transaction is doing their job, you may be in for some unexpected and unwelcome surprises.

IN THE END . . .

1/8 or 1/4 of a point differential will never substitute for GOOD SERVICE, RELIABILITY, and most important, ACCOUNTABILITY.

A mortgage lender can make or break a closing. Everyone is looking for the best rate, but in the end, 1/8 or 1/4 of a point differential will never substitute for good service, reliability, and most important, accountability. Trust me on this point—been there, done that! As I’ve said many times, I oversaw the operations for the southeastern territory in a national mortgage lender for several years, and I’ve worked with hundreds of mortgage brokers, mortgage lenders, and closing agents in four states, and there were only a handful of lenders, brokers, and closing agents who I would have chosen to work with again (if the choice had been mine to make). Frankly, most just didn’t care, and things would get done whenever they were darn ready. That wasn’t the business ethic to which I aspired.

If your buyer is looking for financing, why not recommend EWM MORTGAGE and bring a friendly ally into your transaction? Don’t be afraid to make a recommendation. This is your company, too! In the old days, agents justifiably “shied away” from recommending service providers in their transactions. Agents would say to me: “It’s hard enough servicing the client as a real estate agent, do we really have to take on the added pressure and responsibility of worrying whether someone we’ve recommended is going to do their job, too? When they don’t do their job, we suffer because we lose credibility and our clients hold us responsible!” This certainly is an argument with which I am very familiar. But times have changed! EWM REALTORS, EWM MORTGAGE, and EWM TITLE are now full sister companies—no “wicked stepsisters” here! Step up to the plate! Take a deep breath and jump in . . . the water’s fine!

EWM loan officers care about your business because they have to care. They’ve committed themselves to EWM. You’re not just anyone, you’re THE CLIENT!

Let’s face it—EWM loan officers care about your business because they have to care—they’ve committed themselves to EWM. They’re here for the long run. They have their offices in your offices, so there’s no place to hide! Best of all, the agents of EWM are their absolute priority because that is the nature of our new business model! You’re not

just anyone, you're THE CLIENT! The loan officers of EWM MORTGAGE don't want an occasional deal from you—they want to gain your trust and get most, if not ALL, of your business. They want to develop a business relationship with you. They want you to rely on them and trust that they will fulfill their responsibilities to your client and get the deal done! Why place your client's fate in the hands of a toll-free number of a company thousands of miles away with automated services, when you can have a loan officer at your disposal to meet face-to-face with you or your client?

The difference between EWM MORTGAGE and other lenders is that when the going gets tough, EWM MORTGAGE is there to solve the problem and pick up the pieces! They won't hide in the tall grass—they will face the music! Everyone makes mistakes (believe it or not, even real estate agents and lawyers). It's how mistakes are addressed, corrected, and resolved that make the difference. When something goes astray, you have not only your loan officer, but you have the officers of EWM MORTGAGE, Scott Neitzel, and Susan Foreman, and you have other resources who can make instant decisions (Beth, Ron, yours truly). When EWM companies are working together, your client gets the combined benefits and advantages of all three companies, because we can make our own decisions. EWM MORTGAGE is accountable to you, the agent, because you are the client—pure and simple. So, they need to care about making you look good. Please think about this the next time you have any input into who your client is speaking to about financing. It makes a huge difference (and it is certainly easier on me in resolving your problems)!

*Attention All "Realtors for Life":
A closing agent
can make all the difference
in how your client views you
at the end of a transaction!*

A closing agent can make all the difference in how your client views you at the end of a transaction! After all, the closing agent is usually the last person your client meets in the transaction. A good impression goes a very long way. Conversely, a bad closing may destroy your credibility with your client. Instead of leaving that closing with a warm, fuzzy feeling about their agent and having the desire to say wonderful things about you to

their friends, they may have awful things to say and begrudge the commission that was paid to you. Again, you'll have to trust me on this—I've seen this happen in hundreds of closings. At that point, all the wonderful work and good will you've developed along the way—disappears!

*Don't chance your closing
to people who don't care
or who aren't accountable to you.*

EWM TITLE is a "deal maker" not a "deal breaker". Do you want a captain at the helm who will guide your clients through the tempests on the sea? Try Maddie Torres and her team in the Weston office, or Mary Bramly and her team in the Coral Gables office. Not only are they incredibly hard-working, reliable and efficient, but they truly care about what they are doing. They take great pride in their work and the job gets done! You say you need support? Doug Yount, Maria de Andrade, and Marisa Capua, Esq., president, vice-president, and counsel to EWM TITLE, are all there to get the deal done, serve your needs, and most importantly, find solutions to the problems which consistently arise in a closing—big or small. Marisa has an additional level of support in Susan Rhodes, Esq., a very experienced real estate attorney and title examiner for EWM TITLE, several wonderful underwriting counsel for Chicago Title Insurance, and yours truly. Accountability is everything. Let's all get on the same team! Don't chance your closing to people who don't care or who aren't accountable to you. Your client's last impression of you and your team should be a positive one so that they are singing your praises and expanding your referral network. Expand your team and let EWM TITLE and EWM MORTGAGE work for you! (How's *that* for a testimonial!)

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BE AWARE, and let's be careful out there!