

What's New in Government Affairs

August 7, 2009:

Dog-Days-of-Summer Edition!

www.SouthBayAOR.com



LOCAL

REG Z AND YOU – Revised Truth-In-Lending Requirements: Lenders are subject to new disclosure requirements for mortgage loans under the Federal Reserve Board Truth in Lending Regulation (Reg Z). These requirements apply to loan applications filed on or after July 30, 2009. Go to www.SouthBayAOR.com and read below to learn the basics:

- The new requirements apply to all mortgages secured by a borrower's home, including primary and second homes and refinancings. Investor loans continue to be exempt.
- Lenders must give good faith estimates of mortgage loan costs within 3 business days after the consumer applies for a loan (early disclosure). The lender may not collect any fees before the disclosure is provided, except for a reasonable fee for obtaining a credit report.
- The closing may not take place until expiration of a 7 day waiting period after the consumer receives the early disclosure.
- Consumers may shorten or waive the 3-day and/or 7-day waiting periods for a "bona fide personal financial emergency," but only after receiving an accurate TILA disclosure.
- If the annual percentage rate (APR) changes by more than 0.125 percent, the lender must provide a corrected disclosure to the borrower and wait an additional 3 business days before closing the loan.

REAL ESTATE SIGNS: REALTORS® have the legal right to place open house and lead-in signs on any private property, with that owner's permission. If your sign is confiscated from private property, call SBAOR right away. However, signs are typically not permitted in public rights-of-way, including medians. Check out sign laws in your city at www.SouthBayAOR.com.

FEDERAL

ONE-IN-FOUR REALTORS® LACK HEALTH INSURANCE: While all small businesses have found it difficult to find affordable health insurance, REALTORS® have been even more challenged. Typically, REALTORS® are self-employed, independent contractors--the smallest of small businesses.

In most states, the self-employed are relegated to the state's individual insurance market, where applicants can be turned down for medical reasons and there are few limitations placed on the premiums that companies can charge. As a result, today, twenty-eight percent of the 1.2 million members of the National Association of REALTORS® - more than one in four REALTORS® - have no health insurance coverage. REALTORS® have cited cost as the primary reason they have no health insurance.

Check out "Health Care Reform" at REALTOR.org to follow our advocacy on this important issue.

Why Government Affairs?

Every city makes decisions on taxes, point-of-sale, signs, rent control, property rights, and more. This impacts your client's ability to buy, sell, or develop their properties and your ability to do business. The South Bay Association of REALTORS® Government Affairs Program protects and advocates for you. For more information, call SBAOR Government Affairs at (310)326-3010 ext. 715