



DO YOU KNOW THE  
ANSWERS TO THESE  
COMMONLY ASKED  
**LEGAL  
HOTLINE  
QUESTIONS?**

p. 16





MY  
WHY?

I believe symbols are powerful. Take the RE/MAX balloon. It represents ambition that moves like a freight train. And when people see it, they see me. Telling them I go nonstop. Because I do.

Why RE/MAX? The brand is my why.





# Get paid your commissions *before* closing



The timing of closings is often beyond your control but that doesn't mean you have to wait to get paid. By using **eCommission**, you can advance your commission and get paid today.

Here's how it works:

- Apply online in minutes
- Request up to \$15,000
- Funds wired in one hour
- Save 50% on your first advance with promo code **TEXAS**

@ecommission®

Get started today at:

☎ 1-877-882-4368

🌐 [ecommission.com](https://ecommission.com)

# LET'S GIVE OURSELVES A HIGH \$5M FOR 2018



## HELP US REACH OUR GOAL OF RAISING \$5 MILLION AND 55% PARTICIPATION FROM TEXAS REALTORS®

VISIT [TREPAC.COM](http://TREPAC.COM)

 @TexasTREPAC

 [facebook.com/TREPAC](http://facebook.com/TREPAC)

CONTRIBUTIONS ARE NOT DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES. CONTRIBUTIONS TO THE TEXAS ASSOCIATION OF REALTORS' POLITICAL ACTION COMMITTEE (TREPAC) AND THE TEXAS ASSOCIATION OF REALTORS' FEDERAL POLITICAL ACTION COMMITTEE (TAR FEDPAC)—WHICH MAKES CONTRIBUTIONS TO THE REALTORS' POLITICAL ACTION COMMITTEE (RPAC)—ARE VOLUNTARY AND MAY BE USED FOR POLITICAL PURPOSES. THE AMOUNT INDICATED IS MERELY A GUIDELINE, AND YOU MAY CONTRIBUTE MORE OR LESS THAN THE SUGGESTED AMOUNT. YOU MAY REFUSE TO CONTRIBUTE WITHOUT REPRISAL, AND THE NATIONAL ASSOCIATION OF REALTORS®, THE TEXAS ASSOCIATION OF REALTORS® (TAR), AND ITS LOCAL ASSOCIATIONS WILL NOT FAVOR OR DISADVANTAGE ANYONE BECAUSE OF THE AMOUNT CONTRIBUTED. UNTIL THE RPAC ANNUAL GOAL IS MET, 70% OF AN INDIVIDUAL'S CONTRIBUTION GOES TO TREPAC AND MAY BE USED TO SUPPORT STATE AND LOCAL CANDIDATES; THE REMAINING 30% IS SENT TO TAR FEDPAC TO SUPPORT FEDERAL CANDIDATES AND IS CHARGED AGAINST YOUR LIMITS UNDER 52 U.S.C. 30116. (EXCEPTION: 100% OF AN INDIVIDUAL'S CONTRIBUTION GOES TO TREPAC IF THE INDIVIDUAL IS AN EMPLOYEE OF AN AFFILIATE MEMBER OF TAR.) AFTER THE RPAC ANNUAL GOAL IS MET, 100% OF AN INDIVIDUAL'S CONTRIBUTION GOES TO TREPAC AND MAY BE USED TO SUPPORT STATE AND LOCAL CANDIDATES. YOU MAY CONTACT THE TAR POLITICAL COMMITTEE ADMINISTRATOR AT 800-873-9155 TO OBTAIN INFORMATION ABOUT YOUR CONTRIBUTIONS.

## TEXAS REALTOR®

May 2018-Volume 71-Number 4

**KAKI LYBBERT** Chairman of the Board  
**TRAY BATES** Chairman-Elect  
**CINDI BULLA** Secretary/Treasurer  
**VICKI FULLERTON** Immediate Past Chairman  
**TRAVIS KESSLER** CEO  
**ANGELA BRUTSCHÉ** VP of Comm. & Mktg.  
**MARTY KRAMER** Editor-in-Chief  
**WARD LOWE** Assoc. Dir. of Comm.  
**SUMMER MANDELL** Managing Editor  
**MICHAEL SCHRANTZ** Social Media Editor  
**JOEL MATHEWS** Art Director  
**JOSHUA BANKS** Senior Graphic Designer  
**CHRIS NELSON** Graphic Designer

### CHANGE OF ADDRESS OR EMAIL

Members should always send postal address or email changes to their local association.

### CONTACT THE EDITORS

[editor@texasrealtors.com](mailto:editor@texasrealtors.com)  
512-480-8200  
P.O. Box 2246  
Austin, TX 78768-2246

### ADVERTISING SALES

Mohanna Sales Representatives  
214-291-3648  
[TARinfo@mohanna.com](mailto:TARinfo@mohanna.com)

Texas REALTOR® (ISSN 1068-1248) is published monthly except combined issues in January/February and September/October by Texas REALTORS®.

### POSTMASTER

Send address changes to:  
Texas REALTOR® magazine  
Attention: Membership  
P.O. Box 2246  
Austin, TX 78768-2246

Periodicals Postage Paid at Austin, TX, and at additional mailing office. Annual dues of members of the association include \$5 for a one-year subscription to Texas REALTOR®. Annual subscription rate to others: \$25. Single copy rate to others: \$3.50. Office of publication: 1115 San Jacinto Blvd., #200, Austin, TX 78701-1906; mailing address: P.O. Box 2246, Austin, TX 78768-2246; phone: 512-480-8200; fax: 512-370-2390.

All articles and paid advertising represent the opinions of the authors and advertisers, and do not necessarily represent the opinions of the editors of Texas REALTOR® or the association and should not be construed as a recommendation for any course of action regarding financial, legal, or accounting matters by the association or Texas REALTOR® and its authors.

Contributions are not deductible for federal income tax purposes. Contributions to the Texas Association of REALTORS' Political Action Committee (TREPAC) and the Texas Association of REALTORS' Federal Political Action Committee (TAR FedPAC)—which makes contributions to the REALTORS' Political Action Committee (RPAC)—are voluntary and may be used for political purposes. The amount indicated is merely a guideline, and you may contribute more or less than the suggested amount. You may refuse to contribute without reprisal, and the National Association of REALTORS®, the Texas Association of REALTORS® (TAR), and its local associations will not favor or disadvantage anyone because of the amount contributed. Until the RPAC annual goal is met, 70% of an individual's contribution goes to TREPAC and may be used to support state and local candidates; the remaining 30% is sent to TAR FedPAC to support federal candidates and is charged against your limits under 52 U.S.C. 30116. (Exception: 100% of an individual's contribution goes to TREPAC if the individual is an employee of an affiliate member of TAR.) After the RPAC annual goal is met, 100% of an individual's contribution goes to TREPAC and may be used to support state and local candidates. You may contact the TAR political committee administrator at 800-873-9155 to obtain information about your contributions.

*Federal law prohibits TREPAC and FedPAC from soliciting contributions from persons not included in the following groups: Members of the association, executive and administrative personnel of the association, and the families of both groups. Contributions received in relation to this publication from a person outside of these groups will be returned.*

©2018  
Texas REALTOR®  
All rights reserved.





# CONTENTS



## 22 **FEATURE** **THE NEXT WAVE OF RISK**

*by Michael Schrantz*  
Wire fraud continues to be a top security issue for real estate professionals and their clients—and online threats are evolving.



## 20 **FEATURE** **HOW TO ATTRACT LEADS WITHOUT PROMOTING YOUR BUSINESS**

*by Ward Lowe*  
This soft-sell strategy can be an effective way to interest prospects and gain clients.

## 16

### **FEATURE** **DO YOU KNOW THE ANSWERS?**

*compiled by Summer Mandell*  
Here are common questions Texas REALTORS® are asking on the association's Legal Hotline.

- |   |   |
|---|---|
| <p><b>5</b> <b>INSIGHTS</b><br/>From the Chairman</p> <p>New custom data tool for Texas REALTORS®</p> <p><b>6</b> Your comments on free consumer content, online notary, and improving your professional bio</p> <p>Wondering what you get for your state dues?</p> <p>Two Texans named as part of NAR's 2018 30 Under 30 Class</p> <p><b>7</b> Your opportunity to shape the vision of the association</p> <p>Texas boasts two new RCE designees</p> <p>Texas REALTORS® commemorate 50<sup>th</sup> anniversary of Fair Housing Act</p> <p><b>8</b> <b>BUSINESS</b><br/>Have you tapped these sources of leads and unlisted properties?</p> <p><b>9</b> Data breaches show no sign of slowing</p> <p>Tools to educate clients about flooding</p> <p>Research about you and your clients</p> <p><b>10</b> People keep coming to Texas</p> <p>Why you should teach a seminar</p> <p>Seven ways REALTORS® are using RPR</p> | <p><b>12</b> <b>LEGAL &amp; ETHICS</b><br/>My broker died. What happens now?</p> <p><b>13</b> Is it unethical for an agent to offer gift certificates to attract clients?</p> <p>Can you pay an unlicensed person a referral fee?</p> <p>What TREC does with administrative penalty funds</p> <p>Don't fall for this scam</p> <p><b>14</b> Three ways to keep in touch with TREC</p> <p>The TAR form to change tenants on a lease</p> <p>Six dos and don'ts for using the REALTOR® trademark</p> <p><b>15</b> Avoid a lawsuit when using social media</p> <p>What the revised earnest-money paragraph means for your clients</p> <p><b>27</b> <b>SHARE THIS</b><br/>Don't make these mistakes when pricing your home</p> <p><b>28</b> <b>TAKE 5</b><br/>Write better listings</p> |
|---|---|

COVER: Kitch Bain/Shutterstock.com

SERVE THOSE  
WHO SERVE OUR COUNTRY



## EARN NAR'S MILITARY RELOCATION PROFESSIONAL (MRP) CERTIFICATION

Sharpen your knowledge and skills for working with military homebuyers and sellers with NAR's Military Relocation Professional (MRP) certification.

REALTORS® with the MRP certification provide real estate support for active and former servicepeople, and ensure that they take advantage of military benefits.

To learn more about the requirements, visit [MilitaryRelocationPro.org](https://www.militaryrelocationpro.org).





# INSIGHTS

## Member benefits

### NEW CUSTOM DATA TOOL FOR TEXAS REALTORS®

You now have access to a powerful, intuitive tool that will help you and your clients quickly understand market statistics in your area: MarketViewer. MarketViewer is a real estate market analytics portal brought to you through a partnership between the Texas Association of REALTORS® and MLSs across the state. With MarketViewer, you have instant access to market stats across thousands of geographies in Texas.

The online interface offers key statistics presented in a clean, easy-to-understand format. You decide the geographic boundaries and time period, and MarketViewer does the rest.

You can also use MarketViewer to define parameters and create infographics you can use in presentations, emails, or social media posts.

In addition to home-sale data, MarketViewer includes apartment rent and vacancy information from Reis, Inc., for 26 key market areas around the state. You also can explore county-level new-construction statistics made available through Metrostudy, such as monthly new-construction deed transfers, quarterly statistics on numbers of units under construction and those that are finished but vacant, and data on price per square foot.

MarketViewer also contains historical mortgage-rate data from Freddie Mac.

When using MarketViewer, make sure to hover over data points (or tap data points on your tablet) to reveal greater detail and trending information.

Data for MarketViewer is released first to local associations in Texas and, 30 days later, is made available to all Texas REALTORS®.

Access this new tool exclusively for Texas REALTORS® at [texasrealestate.com/marketviewer](http://texasrealestate.com/marketviewer).



## Chairman



**“ In April, I had the pleasure of sharing the podium with some incredible people, including state Rep. Nicole Collier; State Rep. Eddie Rodriguez; NAR Director of Diversity & Community Outreach Programs Fred Underwood; 2018 President of the Texas Association of Real Estate Brokers (TAREB) Courtney Johnson Rose; and 2018 President of the Austin Board of REALTORS® Steve Crorey. We gathered in Austin to mark the 50<sup>th</sup> anniversary of the federal Fair Housing Act, which prohibits discrimination in housing based on disability, race, color, religion, national origin, sex, and familial status.**

While I am proud of Texas REALTORS®’ commitment to learning about and understanding fair housing, I agree with my fellow speakers who emphasized there is more for us to do to turn the promise of the act into reality.

Courtney Johnson Rose explained TAREB’s efforts in fair housing civil rights advocacy for Texas homeowners, highlighting that the organization still exists because there is much left to accomplish in fair housing.

Rep. Collier reminded us there is still potential for discrimination in housing. She told us she relies on Texas REALTORS® to be agents of change—and I couldn’t agree more. Fifty years have passed since the Fair Housing Act was signed into law, but *our work is not finished*. As long as we are in real estate, fair housing must be a priority. We must collectively commit to working toward helping *all* Texans find a place to call home. **”**

**—Kaki Lybbert**

**REALTOR® feedback**

## YOUR COMMENTS ON FREE CONSUMER CONTENT, ONLINE NOTARY, AND IMPROVING YOUR PROFESSIONAL BIO

The new consumer-focused blog *Current Topics* provides a steady stream of reliable content to share with your clients. It's free to use on your website or social media channels and promotes Texas REALTORS® as the experts to trust. "I very much appreciate these articles and will be pointing people to them from our blog," **Randall White** wrote. "Awesome!" added **Ben Huynh**.

Check out the *Current Topics* blog at [texasrealestate.com](http://texasrealestate.com) > *Advice* > *Current Topics*. And sign up on the right side of the blog homepage for email notifications when a new article is posted.

Members were also excited about a Texas law going into effect in July that allows for documents to be notarized online. "It's about time," wrote **Carla Hamm**. While **Ann Richards** wrote she'd be more comfortable if documents were notarized in person for such an important transaction, **Richard Perry** pointed out that contracts are already often signed online.

**Rich Martin** wrote that he may rethink his listing presentation because of an *Advice for REALTORS®* blog post about leading with your conclusion. "When I listen to a sales pitch, I always rush the sales person to get to the conclusion," he wrote. **Peggy West** agreed and wrote that she's been practicing this technique for some time. "Now that is good advice," added **Myra Dennis**.

## WONDERING WHAT YOU GET FOR YOUR STATE DUES?

Take a look at the Member Benefits section of your newly redesigned member website at [texasrealestate.com/benefits](http://texasrealestate.com/benefits).

You'll find an alphabetical list of discounts, risk reduction tools, advocacy, and more. You can also browse your benefits by categories such as Marketing Tools and Business Solutions.

While you're there, be sure to watch the short *Value of Membership* video to hear what your fellow Texas REALTORS® find valuable about association membership.

Want to tell us about a member benefit you value, or do you have a question about the benefits you receive as a Texas REALTOR®? Send an email to [benefits@texasrealtors.com](mailto:benefits@texasrealtors.com) or call us at 800-873-9155.

## 2 TEXANS PART OF THE 30 UNDER 30 CLASS OF 2018

Isabel Affinito of Austin and Hunter Carter of San Antonio are the latest Texas REALTORS® recognized as rising stars in the industry as part of *REALTOR® Magazine's* 30 Under 30 Class of 2018. Here, they share their advice for Texas REALTORS® just starting out in the business.



**ISABEL AFFINITO:** The most important thing any REALTOR® starting out can do is talk to people. My husband and I moved to Austin with no network and set about trying to build a real estate business. Our success was directly correlated to how many people we talked to in a given month. It can be strangers, acquaintances, or friends. It can be on the phone, in

person, at a party, walking your dog, and at the gym.

The unique thing about residential real estate is that every adult person you come into contact with is a potential client. So, my advice is to talk to them. Not just about real estate, but about whatever feels right. Make conversation.

And a harmless question like, "What area of town do you live in?" could easily

lead into a substantial real estate conversation.

Another lesson I learned is to let go of perfection, and not be afraid to fail. I learned a lot by going out and trying things, and failing. I have some tendencies toward perfectionism. I've mostly learned to let go of that and be willing to get rejected, be wrong, and look silly. That's freed up a lot of time and energy for me to have fun with what I do.

Affinito and Carter share what they've learned since they started in the business and their favorite ways to find leads in an online-only version of this article. Find it in the May issue at [texasrealestate.com/magazine](http://texasrealestate.com/magazine).



**HUNTER CARTER:** Finding a mentor is important. Shadow, watch, and learn from your mentor.

You should find a mentor who is good at the piece of the business you are going after. But, there are a lot of pieces. Sometimes trying to identify which path you would like to take is the biggest hurdle. Talk to your broker about his or her core competencies, and match yourself

with a broker who mimics paths you choose. These networks are so important to the start of your business.

Lastly, regardless of any of the above, hard work and persistence pays off more than anything else I see in the industry.



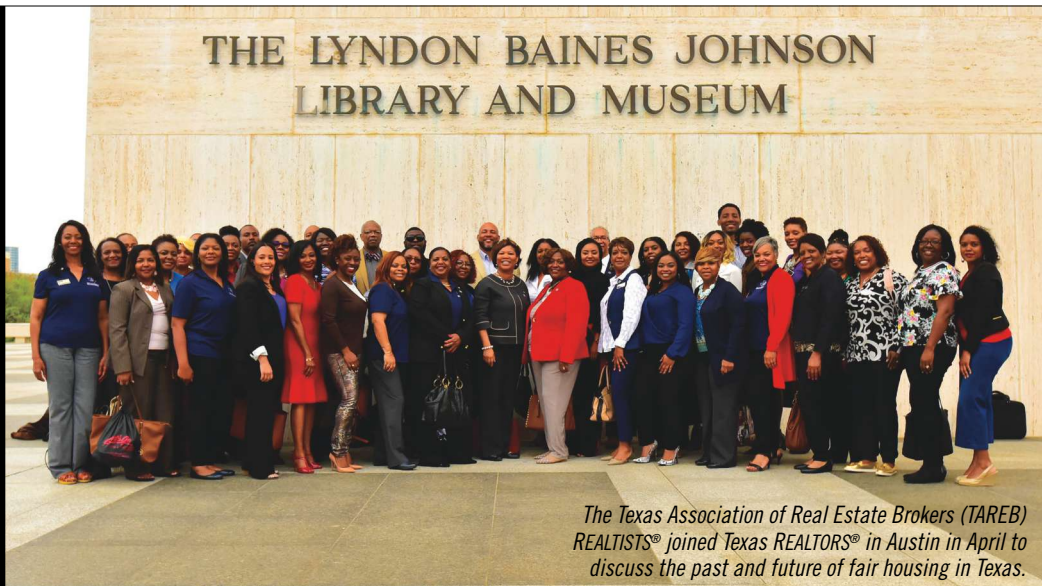
## YOUR OPPORTUNITY TO SHAPE THE VISION OF THE ASSOCIATION

If you've ever wondered who sets the association's legislative priorities, works on the budget, reviews legal developments, or determines which local initiatives get support—it's you! Contribute to the future and vision of the REALTOR® organization at the state level and volunteer to serve on a 2019 Texas REALTORS® committee.

Visit [texasrealestate.com/committees](http://texasrealestate.com/committees) by June 29 to access and submit the online volunteer form.

## TEXAS BOASTS 2 NEW RCE DESIGNEES

Congratulations to Ken Hogan (top) of the Abilene Association of REALTORS®, and Steve Trine of the MetroTex Association of REALTORS®, who each earned their REALTOR® Association Certified Executive (RCE) designation.



*The Texas Association of Real Estate Brokers (TAREB) REALTISTS® joined Texas REALTORS® in Austin in April to discuss the past and future of fair housing in Texas.*

## TEXAS REALTORS® COMMEMORATE 50<sup>TH</sup> ANNIVERSARY OF FAIR HOUSING ACT

To mark 50 years since President Lyndon Johnson signed the Fair Housing Act, the Texas Association of REALTORS® hosted events at its headquarters in Austin, the Lyndon Baines Johnson Presidential Library, and the Thompson Conference Center at the University of Texas at Austin. The federal act and its state counterpart, the Texas Fair Housing Act, prohibit discrimination in housing based on disability, race, color, religion, national origin, sex, and familial status.

Keynote speaker state Rep. Nicole Collier (pictured, right) said that everyone must be mindful of the potential for discrimination. "I rely on you, the experts, to educate us on what works and what doesn't work," she said.

State Rep. Eddie Rodriguez thanked attendees for their work on fair housing issues and said he hopes more progress is made to turn the promise of laws into reality.

Fred Underwood, director of diversity & community outreach programs at the National Association of REALTORS®, discussed the history of housing segregation and the events that led to the passage of civil rights legislation and the federal Fair Housing Act.

Kaki Lybbert, 2018 chairman of the Texas Association of REALTORS®, addressed the organization's commitment to quality education and understanding about fair housing for all Texas REALTORS®.

Courtney Johnson Rose, 2018 president of the Texas Association of Real Estate Brokers, spoke about her organization's fair housing civil rights advocacy for Texas homeowners, and said that TAREB still exists because there is a long way to go on fair housing issues.

Steve Crorey, 2018 president of the Austin Board of REALTORS®, discussed the future of fair housing in Austin through CodeNEXT, the city's efforts to rewrite its land development codes.



# BUSINESS



## HAVE YOU TAPPED THESE SOURCES OF LEADS AND UNLISTED PROPERTIES?

Whether you're soliciting listings or looking beyond the MLS on behalf of a buyer, these strategies can help you identify properties that could be available with a little legwork.

### **Drive the neighborhood**

Exploring a neighborhood provides first-hand information about for-sale-by-owner properties, mom-and-pop landlords, and any other real estate activity that may not already be accounted for in the MLS. Properties in a state of disrepair or the process of being updated also may indicate the owner is thinking about selling or could be receptive to the idea.

### **Scour public records**

Notices of default, eviction, or delinquent property taxes can be indicators of a situation where an owner might want to sell the property. Ask the appropriate public office about when and where notices are published or first available to get the earliest access to the information.

### **Reach out to past clients**

If you've been in real estate for a few years, you might have past clients looking to upgrade or who no longer want to own a home. Calling or sending a note inquiring if they're still happy where they are could lead to a transaction in the near-term or keep them thinking of you for the future.

### **Ask the neighbors**

Did you just sell a listing for a price that elated your clients? See if any of their neighbors have been asking about the sale—those could be the next homes to list. Also consider direct mail or cold calls letting other owners in the area know about listings that have sold near them.

Remember that NAR's Code of Ethics prohibits you from soliciting a prospective client if she already has an exclusive representation agreement for the same services with another REALTOR®.

Find model policies to help you comply with cold-calling regulations by searching "manuals and guides" on [texasrealestate.com](http://texasrealestate.com).



Research

## REALTORS®' CAREER PLANS

Eighty-three percent of Texas REALTORS® surveyed are very certain they will remain an active real estate professional for the next two years. Another 12% are somewhat certain, while 5% are not sure of their career plans.

## HOW IMPORTANT ARE YOUR TECH SKILLS?

Nearly all Texas homebuyers surveyed rated honesty, responsiveness, and knowledge of the purchase process “very important” qualities of a real estate agent. Last on the list? Technology skills. While less than half of homebuyers said tech skills are “very important,” an additional 43% of respondents considered proficiency with technology “somewhat important.”

## WHO YOU CAN'T REACH ONLINE

One-third of Americans 65 and older do not use the internet. Among 50- to 64-year-olds, 13% do not go online. Those who don't use the internet are more likely to have lower incomes, lower levels of education, and live in rural areas.

## WHAT RENTERS WOULD DO WITH A WINDFALL

Fourteen percent of renters say that if they received an unexpected \$5,000, they would put it toward a downpayment on a home. Thirty-six percent would use the money to pay bills, while 33% would invest it or put it in savings.

Sources: 2017 Profile of Texas REALTORS®, 2017 Profile of Texas Homebuyers and Sellers, NAR's (HOME) Survey: Housing Opportunities and Market Experience, Pew Research Center



## DATA BREACHES SHOW NO SIGN OF SLOWING

In a new study from Experian, 56% of respondents reported that their organization suffered a data breach, an increase of four points from the previous year. Despite the growing threat of data breaches, just 19% reported that their organization's own response plan is highly effective.

Other takeaways from “The Fifth Annual Study: Is Your Company Ready for a Big Data Breach?” include:

- Start at the top with data-breach preparedness
- Review data-breach response plans to ensure they're effective
- Work with third parties and vendors to minimize cyber threats
- Apply best practices in data breach preparedness.

Learn more about the report and data-breach preparedness by searching the report name at [experian.com](http://experian.com).

Read more about online threats to your business on page 22.

## TOOLS TO EDUCATE CLIENTS ABOUT FLOODING



The newly formed Greater Houston Flood Mitigation Consortium—a collaborative effort by academic institutions to address flooding risk and mitigation—created fact sheets using Houston-specific examples that you can use to educate clients about concepts related to flooding.

Fact sheets are available on topics such as buyouts, storm surges, floodplains, detention basins, and more. View [houstonconsortium.com/p/research-studies](http://houstonconsortium.com/p/research-studies) to find these and other useful documents.

## PEOPLE KEEP COMING TO TEXAS



The Dallas-Fort Worth-Arlington metropolitan area attracted 146,000 new residents last year, more than any other metro area in the country. That wasn't the only popular area of the state. Six of the 10 U.S. counties with the largest population increases are in Texas: Harris, Tarrant, Bexar, Dallas, Denton, and Collin. Texas also had three of the fastest growing counties measured by percentage increase: Comal, Hays, and Kendall.

### Marketing

## WHY YOU SHOULD TEACH A SEMINAR

“Don't just sell to people—educate them. Most people love to learn something new, and seminars are a great way to reach potential clients. Regardless of whether you're trying to reach sellers, buyers, renters, or landlords, your attendees will feel newly empowered in a process that can be an intimidating transition. Your seminar doesn't have to take a long time, and it's a lot more fun and often more productive than a cold call. Seminars are an easy way to get face to face with consumers, break the ice, and add value to your community. Just put the word out and let them come to you!”

—**Bubba Mills** is the CEO and owner of Corcoran Consulting and Coaching, Inc. Contact him at 800-957-8353 or [successteam@corcorancoaching.com](mailto:successteam@corcorancoaching.com).



## 7 WAYS REALTORS® ARE USING RPR

### Learn how to use RPR Mobile on your smartphone

The RPR app helps you instantly view nearby properties; find listings, solds, photos, maps and market trends; create and send RPR reports; and add photos, audio, and text to property profiles. Learn how to use these tools and many more during the next Texas-specific RPR webinar on June 13 at 10 a.m. Register for this session and watch recordings from past workshops at [blog.narrpr.com/tar](http://blog.narrpr.com/tar).

Did you know you can use REALTORS® Property Resource (RPR) for open houses, buyer tours, and neighborhood prospecting? Here are top ways REALTORS® like you are making the most of this NAR member benefit. Go to [narrpr.com](http://narrpr.com) to learn more about these useful features.

**Listing presentations.** Nail that next listing presentation using RPR's exclusive REALTOR® Valuation Model (RVM), home value refinement tool, and flexible comps analysis.

**Geographical prospecting.** Develop spot-on strategies for identifying and marketing to a farm area using RPR's mapping and search tools.

**Open houses.** Create customized, professional-looking Market Activity and Property Reports for your next open house.

**Working with buyers.** Build a start-to-finish, successful buyer experience using RPR's dynamic data and impressive reports.

**Relocation.** Perform in-depth analyses of current and future places of residence using RPR Market Activity, Neighborhood, School, Trade Area, and Property Reports.

**Buyer price opinions.** Help homebuyers determine fair market value for a listing by identifying distinguishable differences between comparable properties.

**Online lead generation.** Impress prospects with your speedy response coupled with impressive reports.



“This was my first time working with **Quicken Loans** and it was a really great experience! Communication is key (to both my clients and myself) and that was definitely something I appreciated.”

**Jessica Rios** ▶  
Real Estate Agent,  
Austin, TX



Experience the **confidence** that comes from working with **Quicken Loans**.

**Quicken Loans**® [RealEstate.QuickenLoans.com](http://RealEstate.QuickenLoans.com)

Quicken Loans Inc.; NMLS #3030; www.NMLSConsumerAccess.org. Equal Housing Lender. Licensed in 50 states. AR, TX: 1050 Woodward Ave., Detroit, MI 48226-1906, (888) 474-0404; AZ: 16425 North Pima, Ste. 200, Scottsdale, AZ 85260, Mortgage Banker License #BK-0902939; CA: Licensed by Dept. of Business Oversight, under the CA Residential Mortgage Lending Act and Finance Lenders Law; CO: Regulated by the Division of Real Estate; GA: Residential Mortgage Licensee #11704; IL: Residential Mortgage Licensee #4127 – Dept. of Financial and Professional Regulation; KS: Licensed Mortgage Company MC.0025309; MA: Mortgage Lender License #ML 3030; ME: Supervised Lender License; MN: Not an offer for a rate lock agreement; MS: Licensed by the MS Dept. of Banking and Consumer Finance; NH: Licensed by the NH Banking Dept., #6743MB; NV: License #626; NJ: Licensed Mortgage Banker – NJ Dept. of Banking, 1st (and/or 2nd) mortgages only; NY: Licensed Mortgage Banker – NYS Banking Dept.; OH: MB 850076; OR: License #ML-1387; PA: Licensed as a 1st Mortgage Banker by the Dept. of Banking and licensed pursuant to the PA Secondary Mortgage Loan Act; RI: Licensed Lender; WA: Consumer Loan Company License CL-3030. Rates subject to change. Conditions may apply. ©2000 – 2017 Quicken Loans Inc. All rights reserved. Lending services provided by Quicken Loans Inc., a subsidiary of Rock Holdings Inc. “Quicken Loans” is a registered service mark of Intuit Inc., used under license.

# LEGAL & ETHICS

## MY BROKER DIED. WHAT HAPPENS NOW?



“TREC staff is compassionate about these types of situations and will help expedite the processing of the documents for a new designated broker.”

—Kerri Lewis, deputy executive director and general counsel at TREC

You might not want to think about it, but accidents and illnesses claim lives every day. Here’s what to do if your sponsoring broker dies.

### **If you are sponsored under an individual broker’s license ...**

In this scenario, you no longer have a broker and you cannot perform real estate activities. You must find a new sponsoring broker and file this change in sponsoring broker with the Texas Real Estate Commission. None of the agreements, (such as client representation agreements and sales agent independent contractor agreements) in place at the time of the broker’s death survive his or her passing.

Once TREC receives your new sponsorship documents or your sponsorship is accepted online through TREC’s Relationship Management Tool, you can resume performing real estate activities. Remember that any representation agreements your broker had in place with his or her clients at the time of the death are no longer valid, so these clients must agree to work with your new broker if you want to continue to represent them.

### **If the broker is the designated broker for a business entity brokerage that sponsors your license ...**

This scenario is a little easier, because the brokerage entity survives the death of the designated broker, and you continue to have a sponsoring broker. Any representation or independent contractor agreements in place at the time of the death remain in effect with the business entity as a party, but you must cease performing real estate activities until a new designated broker is named for the business entity. Once a new designated broker takes over and the business entity updates its records at TREC, you can resume brokerage activities.

“TREC staff is compassionate about these types of situations and will help expedite the processing of the documents for a new designated broker,” says Kerri Lewis, deputy executive director and general counsel at TREC. “This underscores the necessity for brokerages to have a succession plan in place.”

**Ethics**

**An agent in town advertises that she will give away expensive spa gift certificates to anyone who lists with her or signs a buyer representation agreement with her. Is this unethical?**

The agent hasn't violated the Code of Ethics if she clearly communicates in her advertisement any contingencies that must occur before someone is entitled to receive the gift certificate, such as the seller listing with her or a buyer signing a representation agreement.

Article 12-3 outlines the terms of such an offer, stating: "The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, selling, purchasing, or leasing through the REALTOR® making the offer. However, REALTORS® must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the REALTOR®'s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by any applicable Standard of Practice."

**Legal Q&A**

**An unlicensed person referred business to me. Can I pay him a fee in return?**

You may give an unlicensed person a non-cash gift worth \$50 or less in exchange for a referral and not violate the The Real Estate License Act (TRELA) or Texas Real Estate Commission rules. According to TRELA, if a referral is made with the expectation of receiving *valuable consideration*, the person making the referral must be licensed under the act. Under Section 535.20 of TREC rules, gifts of merchandise having a value of \$50 or less do not count as *valuable consideration*.

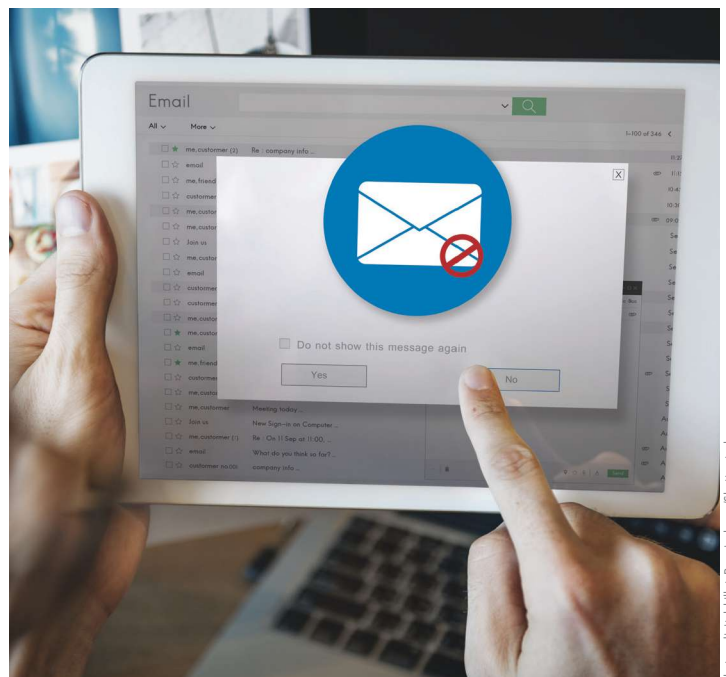
A bank gift card that can be converted to cash or credit or any amount of cash or credit toward rent owed are not allowed to be used as gifts to an unlicensed person in exchange for a referral, according to TREC.

**WHAT TREC DOES WITH ADMINISTRATIVE-PENALTY FUNDS**

When a real estate license holder is found in violation of The Real Estate License Act, the Texas Real Estate Commission can impose an administrative penalty. The law requires that these administrative-penalty funds be deposited into the Real Estate Recovery Trust Account, which disperses money to consumers owed damages due to a license holder's conduct and subsequent inability to pay. Consumers can apply for reimbursement from this trust account after filing a suit and obtaining a court judgment for damages against a licensed real estate broker, sales agent, or easement/right-of-way agent. Learn more about the trust account by searching "recovery trust" on [trec.texas.gov](http://trec.texas.gov).

**DON'T FALL FOR THIS**

The Texas Real Estate Commission is spreading the word that scammers are emailing license holders and posing as the government entity. The emails ask the license holder to provide information to TREC with threats that recipients could lose course credit for noncompliance. TREC says to disregard emails that ask you to provide information to TREC, especially anything that links to a third-party website. If you receive a message from TREC with a payment request, do not respond to the sender and contact TREC at 512-936-3000. If you receive a suspicious message, email TREC at [information@trec.texas.gov](mailto:information@trec.texas.gov) with "SCAM Notice" as the subject line.



Photos: digitalskillset, Rawpixel.com/Shutterstock.com



## 3 WAYS TO KEEP IN TOUCH WITH TREC

The Texas Real Estate Commission announced additional options for license holders to contact or follow the state agency, including the following:

- Send documents such as education certificates, proof of insurance or experience, and business entity documents to [documents@trec.texas.gov](mailto:documents@trec.texas.gov).
- Check where your application or documents stand in TREC's process at [trec.texas.gov/trec-processing-times](http://trec.texas.gov/trec-processing-times).
- Follow @TRECCommission on Facebook and Twitter.

Remember, contact TREC when

- You wish to renew your license or request inactive status
- You have questions about license fees
- You have questions about license requirements
- You have questions about rules regarding education requirements.

### Your forms

Tenants on a lease can be amended during a lease term with the *Lease Amendment Concerning Tenant Change* (TAR 2211). All previous and remaining tenants, as well as the landlord, should sign the document.

## 6 DOS AND DON'TS FOR USING THE REALTOR® TRADEMARK



Only members of the REALTOR® association may use the term REALTOR®, and only in connection with their personal name and firm name. Here are rules to keep in mind.

- **Do use capital letters and include the registration symbol “®”.** All the references within this article show the appropriate way to write the term REALTOR®.
- **Do not use the term REALTOR® as part of your firm name.** The term REALTOR® can only be used in connection with—not part of—a firm's name. Filing an official firm name such as Chiltepin REALTORS®, Inc., with a governmental entity is unacceptable. However, advertising as Chiltepin, Inc., REALTORS® is acceptable because in the advertisement, a comma separates the firm's name from the term REALTOR®. Advertising as Hey Y'all, REALTORS® is also correct because it has a comma between Y'all and REALTORS®, but you also cannot file Hey Y'all, REALTORS® as a firm name.
- **Do not use the term REALTOR® in connection with your team name.** While the term may be used in connection with your personal name and firm name, that doesn't extend to team names. Teams function as groups within a firm—and do not qualify for the use of the term REALTOR®, according to NAR.

Members who are part of a team can still use the term in connection with their personal name or firm name but not as part of it. Use punctuation to separate your name or firm name from the term REALTOR®: John Smith, REALTOR®.
- **Do use REALTOR® as part of a website's domain name but only in connection with your personal name or firm name.** The requirements to use punctuation, capital letters, and the registration symbol are not required for your website address. However, the term REALTOR® cannot be used with descriptive words or phrases. Domain names such as [number1realtor.com](http://number1realtor.com), [firstrealtor.org](http://firstrealtor.org), or [realtorproperties.com](http://realtorproperties.com) are improper uses. Domain names such as [johndoerealtor.com](http://johndoerealtor.com) or [chiltepinrealtors.com](http://chiltepinrealtors.com) are acceptable.
- **Do not use descriptive words or phrases to modify the term REALTOR®.** For example, No. 1 REALTOR®, REALTOR® Properties, Professional REALTORS® or Commercial REALTORS® are unacceptable.
- **Do not hyphenate, reconstruct, expand, combine, abbreviate, or divide the term REALTOR®.**

## AVOID A LAWSUIT WHEN USING SOCIAL MEDIA



This article is reprinted with permission from CRES Insurance Services, an errors and omissions risk-reduction partner of the association. A longer version of this article called "3 ways to avoid a real estate lawsuit when using social media" is available at [cresinsurance.com](http://cresinsurance.com). Copyright held by CRES Insurance Services.

Social media is a way to showcase listings, build relationships, and connect with prospects and clients. To maximize its benefits, you need a solid social media strategy and a social media safety plan so your posts don't land you in court.

Avoiding a real estate lawsuit related to social media starts by knowing the risks. Here's how to avoid social media errors that could lead to legal issues.

### Don't falsely advertise

With digital images, it's easy to edit out unwanted visuals from pictures, but in most cases you shouldn't. If you do virtual staging, a safe practice is to show before and after pictures that are clearly labeled.

Just as with mistakes on MLS listings, you are responsible for identifying and correcting mistakes on social media posts and marketing. Avoid statements like "perfect condition," since this kind of phrase can be easily disputed. A better choice is to give clear, accurate descriptions of the property without vague labels that might be misunderstood or argued.

Social media posts are often short and informal, which means it's easy to get a little lax. Take time to get it right. Since even old posts can get you into trouble, you should edit or correct past information you know is wrong.

### Get social media authorization

You want to share success stories, so you snap a photo of your clients in front of their home and post it to Facebook. Is that a problem? It depends. Do you have authorization to post photos of your clients on social media?

Make it a practice to get authorization to use client names and likenesses in photographs and videos. And always get authorization if the photos or videos include children. You must have permission to use the photos and videos in social media, on your website, and in any other marketing materials.

Additional information to convey in an authorization is that clients will not be compensated in any way for the use of images or other materials, and they can choose to revoke authorization in the future by stating their intent in writing (though they cannot undo any sharing done while the authorization was in place).

Whether your clients sign the authorization or choose not to, make clear in the clients' file that authorization has or has not been given.

Steering clear of social media isn't the way to avoid a real estate lawsuit. Knowing the risks and taking steps to protect yourself is how you can reduce your risk.

### Contracts

## WHAT THE REVISED EARNEST-MONEY PARAGRAPH MEANS FOR YOUR CLIENTS

Recent changes to the *One to Four Family Residential Contract (Resale)* (TAR 1601, TREC 20-14) provide more-specific requirements regarding earnest money. Now, buyers have three days after the effective date to deliver the initial amount of earnest money to the escrow agent. Previously, the paragraph stated that earnest money should be deposited "upon execution of this contract" but did not specify a time period.

The paragraph also now includes the statement that time is of the essence, so if the earnest-money deadline is not met, the seller can terminate the contract or exercise the seller's remedies under Paragraph 15 relating to buyer default. (Note: The Texas Real Estate Commission is considering a new form sellers can use to terminate a contract in a situation like this. TREC could adopt the form at its May meeting.)

Unlike other deadlines in the contract, this deadline is extended if the last day to deliver the money is a Saturday, Sunday, or legal holiday. Other time-based performance requirements in the contract rely on calendar days.



# Do you know the answers?

Here are common questions  
Texas REALTORS® are asking on  
the association's Legal Hotline.

**compiled by Summer Mandell**



Besides your broker, where do you turn for trustworthy information about real estate transactions? Every year, thousands of Texas REALTORS® reach out to the association's Legal Hotline at 512-480-8200. The Legal Hotline is a popular member benefit exclusively for Texas REALTORS®—and the premiere source for legal information about Texas real estate law. Here, the six staff attorneys answering hotline calls share some of the most common questions they're asked and provide their answers.

### “IS THE CONTRACT AUTOMATICALLY TERMINATED IF THE CLOSING DATE HAS PASSED?”

No. Generally, once the closing date has passed, there are two ways to formally terminate the *One to Four Family Residential Contract (Resale)* (TAR 1601, TREC 20-14):

1. The parties can agree to terminate and sign a document like *Release of Earnest Money* (TAR 1904) that releases both parties from further obligations under the contract.
2. A judge can order a contract termination.

### “I OFFERED 2.5% IN THE MLS, BUT THE BUYER'S AGENT PUT 3% ON PAGE 9. WHAT AMOUNT DO I HAVE TO PAY THE BUYER'S BROKER AT CLOSING?”

The MLS offer of compensation will control. Page 9 of the *One to Four Family Residential Contract (Resale)* (TAR 1601,

TREC 20-14) is an information page that should reflect the previously agreed-upon commission.

According to MLS rules, listing brokers must specify the compensation being offered to cooperating MLS participants. These offers are unconditional unilateral offers. The unilateral offer becomes an enforceable agreement between the brokers when a seller and a buyer execute a purchase contract and the cooperating broker is the procuring cause of that sale. Although the brokers can mutually agree to modify the cooperating compensation, neither broker can unilaterally change the compensation as stated in the MLS once the buyer's agent submits an offer.

In addition, Standard of Practice 16-16 under Article 16 of the REALTOR® Code of Ethics states that a REALTOR® acting as a buyer's representative may not use the terms of an offer to attempt to modify the listing broker's offer of compensation or make the submission of an offer contingent on the listing broker agreeing to modify the compensation.

### “IF A TENANT BREAKS THE LEASE EARLY, CAN I KEEP THE SECURITY DEPOSIT?”

The landlord can't automatically keep the security deposit due to a tenant breaking her lease. The landlord must comply with the security deposit accounting and refund requirements of the Texas Property Code.

As part of the property code, a landlord may deduct damages and charges for which the tenant is legally liable under the lease or as a result of breaching the lease. This may include delinquent rent in addition to damages above ordinary wear and tear. Further, the landlord is required to mitigate his damages through reasonable attempts to re-lease the property and

## GET THE MOST OUT OF YOUR LEGAL HOTLINE EXPERIENCE

Staff attorneys field more than 100 hotline calls a day, and they work hard to reduce your wait times. Here are a few tips to prepare for your call.

- Provide the best call-back number to eliminate missed calls and phone tag.
- Prepare notes and have contracts or documents readily available.
- Summarize your scenario or question. Attorneys will ask follow-up questions, so you don't need to cover every detail. The more concise you are, the faster they can give you information.



## HOW THE LEGAL HOTLINE WORKS

Texas REALTORS® have exclusive access to the association's Legal Hotline. Staff attorneys are available Monday through Friday to provide information about real estate law and related matters. Your call will be returned in the order in which it came, usually the same day you called.

All Texas REALTORS® may use the hotline. The designated REALTOR® from your office will be notified via email whenever you call the hotline. The designated REALTOR® is the person responsible for all contact with the association and is named as the designated REALTOR® in the association's records. Often, this is the broker of your firm.

Before you call the hotline, see if your question has already been answered in the Legal FAQs available at [texasrealestate.com](http://texasrealestate.com). There are more than 400 questions and answers addressing all types of legal and ethical issues surrounding your real estate business.





NORMAN SPENCER



## REAL ESTATE E&O

Comprehensive  
Errors & Omissions  
Coverage for  
Real Estate Professionals

readadvisors.com  
800.362.9952  
sales@readadvisors.com



**U.S. FARMING FLAGS®**  
12" x 18" on 30" staff  
"Made in USA"

www.flagco.com / 800-962-0956

## Write for us!

We welcome article queries from members and industry experts offering actionable advice for Texas REALTORS®.

**Ready to submit your pitch?**

Email [editor@texasrealtors.com](mailto:editor@texasrealtors.com) with a brief explanation of your article idea and why it's a good fit for our readers.



Legal Hotline attorneys are not your personal attorney, so they cannot give you advice about what you should do. They will give you information about real estate law and related matters so you can make an informed decision.



reduce the tenant's liability accordingly.

If only a partial amount of the security deposit is needed for the landlord's damages after mitigation, the remaining amount of the security deposit must be refunded to the tenant with a written description and itemized list of all deductions. Paragraph 10D of the *Residential Lease* (TAR 2001) describes what reasonable charges the landlord may deduct from a tenant's security deposit.

### THE REFRIGERATOR WAS LISTED IN THE MLS. DOES IT CONVEY WITH THE PROPERTY IF IT WASN'T INCLUDED IN THE WRITTEN CONTRACT?"

No. Texas REALTORS® should attach the *Non-Realty Items Addendum* (TAR 1924, TREC OP-M) to the contract or advise their client to consult with an attorney when appropriate (like when a lender prohibits the use of this addendum).

When a buyer wants a household item conveyed that is neither listed in Paragraph 2, nor permanently installed, such as a washer or dryer, it should be listed on the addendum.

### MY CLIENT'S CONTRACT TO SELL HIS HOME FELL THROUGH. HE'S IN AN UNRESOLVED EARNEST MONEY DISPUTE WITH THE BUYER, BUT HE ASKED ME TO MARKET THE PROPERTY AS ACTIVE. CAN I?"

The seller's primary goal should be a formal termination of the contract. That ensures he can put the property back on the market and sell it to someone else without risking a lawsuit that could stop a subsequent sale of the property.

Tell your seller to get advice from his

or her attorney concerning the risks of proceeding with a subsequent sale of the property in this situation.

Remember that Texas Real Estate Commission contracts require buyers and sellers to participate in mandatory mediation to resolve disputes before going to court.

### I MANAGE A PET-FREE PROPERTY. DOES THE LANDLORD HAVE TO MAKE AN EXCEPTION FOR A TENANT'S ASSISTANCE/EMOTIONAL SUPPORT ANIMAL?"

It depends. Tenants and applicants with disabilities may request a reasonable accommodation for an assistance animal, including an emotional support animal. Generally, a landlord must grant the request if the tenant has a disability and a disability-related need for the assistance animal. The landlord may be able to ask for additional information, such as documentation from a medical health professional, if the person's disability and need for an assistance animal is not readily apparent or known.

Also, landlords can't charge a pet deposit for assistance animals, and cannot impose restrictions on assistance animals based on breed, size, or weight.

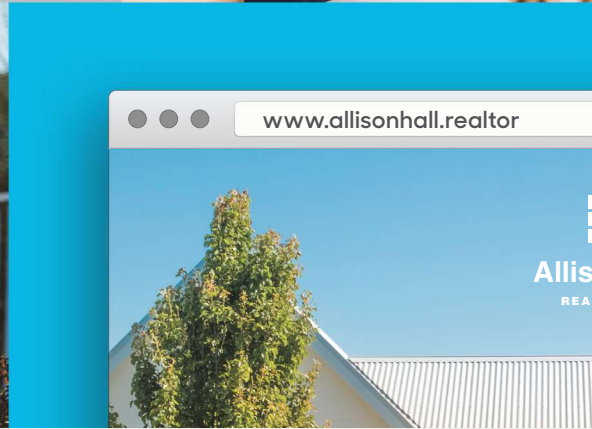
Consider giving your client *General Information for Landlord Regarding Assistance Animals* (TAR 2226). This form contains helpful information about assistance animals and the Fair Housing Act. A landlord may also use *Response to Request for Assistance Animal* (TAR 2225) after a tenant makes a reasonable accommodation request.

**SUMMER MANDELL** is managing editor for Texas REALTOR®.

**Allison Hall**  
REALTOR®

[www.allisonhall.realtor](http://www.allisonhall.realtor)

[info@allisonhall.realtor](mailto:info@allisonhall.realtor)



# Master your domain with .realtor™

There's only one place where REALTORS® can get an exclusive domain, professional email and website in one package. **It's .realtor™.** Market your digital brand in a way that a generic .com cannot.

Visit [www.get.realtor/TAR](http://www.get.realtor/TAR) to get started.



**Add credibility and professionalism**



**Build and promote your brand**



**Gain access to enhanced business tools**



**Free\* for members for their first year**

**.realtor™** Master your domain

\*Free for the first year, one per member



NATIONAL ASSOCIATION of REALTORS®



# ATTRACT LEADS WITHOUT PROMOTING YOUR BUSINESS

This soft-sell strategy can be an effective way to interest prospects and gain clients.

by Ward Lowe



Content marketing is counterintuitive.

It's promotion that doesn't explicitly promote you. Instead, you provide information—blog entries, social media posts, videos, fliers, emails—that people find useful, and those materials create interest in your real estate services.

Content marketing isn't hard to do, but doing it well takes effort. According to the LinkedIn Content Marketing Report, 72% of businesses like yours that use content marketing have a content strategy. What's wrong with the other 28%? They may not understand the power of content marketing or perhaps gave it a try without a clear strategy for success.

Without a plan, you're spraying content to the world, hoping for a few leads. Improve your odds by following these tips to generate a plan that benefits your business.

People spend an average of 1.7 seconds looking at a piece of content on their phone

**BE  
ENGAGING**

[SOURCE: Facebook]

Whether it's online or in print, there's no lack of content in the world. *If* you get someone to notice your marketing, how will you get them to read it?

Your marketing should engage and maybe even intrigue the reader. To do that, you must come up with potential content ideas.

Generating ideas can paralyze even professional writers, but content generation doesn't have to be painful. Follow the popular advice "write what you know" and create a list of topics where you have expertise. Remember, they don't have to all be related to real estate.

People respond to stories, so find ways to turn your topics into stories. For example, if you love to visit barbecue restaurants in your area, don't simply list the best ones; tell the story of the time you first visited your favorite barbecue spot.

Also keep in mind that most of your ideas have been done before—and that's OK. Look at other people's content for inspiration and put your personal spin on them. Or build on their work with commentary.

Content marketing—  
all marketing,  
really—works best  
when you plan  
and invest in your  
efforts. Give your  
audience information  
that interests  
them that you can  
provide—without  
selling yourself.  
Eventually, you'll  
benefit from being a  
trusted source.

More than half of all web traffic is on mobile devices

## MAKE IT READABLE ACROSS PLATFORMS

[SOURCE: Statista]

You've put in a lot of effort to create great content. Don't lose people because they can't read it.

If an infographic that looks great on your desktop displays as too big or too small in an email, your audience will delete the message without reading it. Likewise, photos you include in social media posts might get stretched, compressed, or otherwise sized wrong. Even your website can be mobile-unfriendly.

Avoid losing people to technical difficulties by testing your content marketing. Email marketing tools have preview functions for various email clients and mobile devices. And social media channels let you look at mobile and desktop previews for ads and paid posts. You can also use free web services that show you what your website will look like on different phones and tablets.

Email is 40 times better at customer acquisition than social media

## TRACK YOUR RESULTS

[SOURCE: Campaign Monitor]

You don't have time to carry out effective content marketing on 17 platforms, and you probably don't know which ones are most effective to your sphere. Start with ones you're most comfortable with; maybe you send emails, post on Facebook, and mail postcards to your farm area.

Whatever methods you use, set up some manner of tracking any contacts generated from your efforts. For example, use an email marketing program that tracks clicks in messages; click the Insights button in Facebook or similar analytics functions in other social channels for data on how many people are seeing your posts; and advertise a landing page on your fliers.

After marketing on these channels for a period of time, review your results. For example, compare the clicks to your website from email messages to clicks on social media posts. The amount of time needed to establish usable results depends on how often you're putting out content and how many channels you're using for your marketing. You need to try an approach for weeks or maybe even months before you try something new.

**WARD LOWE** is associate director of communications for the association.

## WHAT DO THOSE NUMBERS MEAN?

See how your marketing efforts are working by checking the available data from the communication platform you're using. Here are some common metrics.

Keep in mind that no data is 100% correct. For example, an email that displays in the preview pane of your email program may be tracked as an "open," even if you took no action and didn't read the message. But it's useful to compare statistics like "opens" over time to see trends.

### Facebook

You'll need a Facebook Business Page (free) to access the platform's Insights tool. Two of the more useful data points in that tool are reach and engagement. Reach is the number of people who've had any post from your page displayed on their screen; it doesn't mean anyone saw it, just that it was displayed. Engagement is the number of times people interacted with your posts through reactions, clicks, comments, and shares.

### Twitter

The Tweets menu on the Analytics page of the Twitter website gives you a good overall look at which of your tweets are most popular. The impressions column shows the number of times a tweet was displayed in users' feeds, and the engagements column counts the number of times users interacted with that tweet—clicks, retweets, replies, follows, and likes.

### Instagram

Instagram only displays Insights for business profiles, and it's easy to convert your Instagram account to a business profile. Then you'll get access to data on your followers, posts, and stories. You'll get impression, reach, and engagement data similar to Facebook's.

### Email

If you use an email marketing program, such as MailChimp, Constant Contact, or VerticalResponse, take a look at your open rate and click rate. The open rate tells you how many recipients opened your message, while the click rate shows how many people clicked a link in your message.



# THE NEXT WAVE OF RISK

Wire fraud continues to be a top security issue for real estate professionals and their clients—and online threats are evolving.

by Michael Schrantz



## More ways you're a target

While wire fraud remains a top threat to the real estate industry, Texas REALTORS® and your clients may be the targets of many different types of scams—related to a real estate transaction or not.

Learn to recognize the following common scams:

- **The lead scam.** REALTORS® are receiving text messages claiming to be from Redfin, realtor.com, or another real estate company or website claiming to have qualified leads in exchange for a small payment (such as \$10). Redfin and realtor.com have stated they do not send these types of messages.



**T**he phishing emails many REALTORS® and homebuyers receive with generic messages, suspicious attachments, or other telltale signs that something is wrong are the low-tech, low-effort segment of a \$1 billion problem in real estate: wire fraud.

But as awareness about wire fraud scams increases and companies take steps to secure their networks—and educate their agents and staff about the latest threats—cybercriminals are becoming more sophisticated.

“There’s not much of a limit on the creativity of scammers,” says Brad Schuelke, senior assistant attorney general in the technology division of the Texas Attorney General’s Office. “Any story they can come up with that might convince someone to send money through a relatively untraceable source ... they’ll come up with it.”

Criminals will scour social media or other sources for information that makes their scams more convincing and likelier to deceive or manipulate, a practice known as social engineering. And as individuals and companies take steps to protect themselves, criminals go to greater lengths to steal passwords

and personal information, trick people into sending them money, and break into individuals’ and companies’ computer systems.

“A lot of companies don’t recognize they need to secure their networks better,” says FBI Supervisory Special

fraudulent email with new wiring instructions sounds familiar and believable when sent to a real estate agent or consumer.

“We’re constantly seeing instances where people are losing money,” Perry says.

## Where to report wire fraud?

Successful or attempted wire fraud should be reported as soon as possible to your local FBI office, banks or lenders involved, and at [ic3.gov](http://ic3.gov), the FBI’s Internet Crime Complaint Center. Reports through [ic3.gov](http://ic3.gov) can be made by the victim or a third party.

Agent Matthew Perry, who works on cybercrime.

After gaining access to someone’s email account or computer, or breaching a business’s network, criminals may take the time to conduct surveillance on how a company operates to make an attack more effective. “They’ll snag the email signatures, how they’re talking—they’ll copy the verbiage from an email,” Perry says. With this information, the

## Report fraud early and address best practices

In an instance of attempted or successful wire fraud, it’s important to report the incident to your local FBI office and the parties involved as soon as possible. The quicker this happens, the more likely it is that the money can be stopped before it disappears. In some regions, including parts of Texas, there are mechanisms in place at

the FBI’s Internet Crime Complaint Center (IC3) at [ic3.gov](http://ic3.gov) to immediately contact the banks involved when fraud is reported. When Perry spoke to *Texas REALTOR*®, he said early fraud reporting had stopped the transfer of money twice that week.

The bulk of successful attacks can be thwarted by employing “cyber hygiene” best practices, says Mike Spanbauer, vice president of research strategy at cybersecurity firm NSS Labs.

One best practice is to utilize better password hygiene. “Folks use the same password for most if not all accounts,” Spanbauer says. Criminals who steal passwords exposed in major data breaches (such as from Yahoo, Target, Home Depot, and Equifax) can then access users’ accounts for other services and websites.

Another best practice is to exercise caution when clicking links, opening email attachments, and visiting websites. Criminals can use malicious software known as malware to lock you out of your own system unless you pay a ransom. In addition to the steps individuals can take to prevent ransomware attacks, businesses can guard against and lessen the effects of these attacks by keeping good data backups,

- **The grandparent scam.** An imposter armed with some personal information claims to be a relative or friend who’s injured or in the hospital and needs money. This scam often targets seniors, asking them to wire money to a hurt grandchild.
  - **The association email.** In April, NAR warned members of a spam email with the subject line “ANNUAL REPORT TO ALL MEMBERS OF NATIONAL ASSOCIATION OF REALTOR (NAR)” from the address [presidentceo@usa.com](mailto:presidentceo@usa.com). NAR emails will always come from [realtor.org](http://realtor.org) addresses.
  - **Catfishing.** This deceptive practice can take many forms but typically involves a fake profile on a social media or dating website. The individual behind a fake profile may try to gain material that eventually can be used as blackmail and to ask for money in ways that are hard to trace, such as gift cards.
- Find out more about common scams at the Texas Attorney General's Office website [texasattorneygeneral.gov](http://texasattorneygeneral.gov).**

limiting who has administrative access to systems, and only using a login with admin access when you need it.

After you understand basic best practices, there are a variety of ways to secure your network. Spanbauer recommends all businesses install a firewall and endpoint technology, which protects all connections to the company network—including remote connections, such as a VPN, and wireless connections. To maintain the efficacy of these protective systems, always install updates and patches.

The next step to protect your data is to find firms that specialize in cybersecurity, such as managed security service providers (MSSPs). MSSPs handle many aspects of cybersecurity through a subscription model, saving businesses the cost and difficulty of adding specialized staff. Internet service providers like Verizon and AT&T offer managed security services, as do local and regional firms that partner with security technology companies such as SonicWall to install and

administer their solutions.

Choosing a security firm can be challenging. “Ask for references and speak to other clients,” Spanbauer advises, including asking about how responsive the company has been and

## “A simple phone call and you’ve defeated them.”

—FBI Supervisory Special Agent  
**Matthew Perry**

whether security is its main service or only ancillary to its business.

### Call a known phone number

Phone numbers can be spoofed so that the incoming number that shows up on your phone is not the caller’s real number. Email accounts can be hacked, which means that an email from a client’s or colleague’s email address may actually have been sent by a criminal who gained access to that person’s account. Cyber thieves also create email

accounts that *appear* to be ones you trust. Most people don’t look closely enough at a sender’s email address to detect that a lowercase “l” has been switched to a number “1,” for example. The best course of action when receiving any kind of communication regarding new wiring instructions or bank routing information is to call a phone number you know, Perry says. “A simple phone call and you’ve defeated them.”

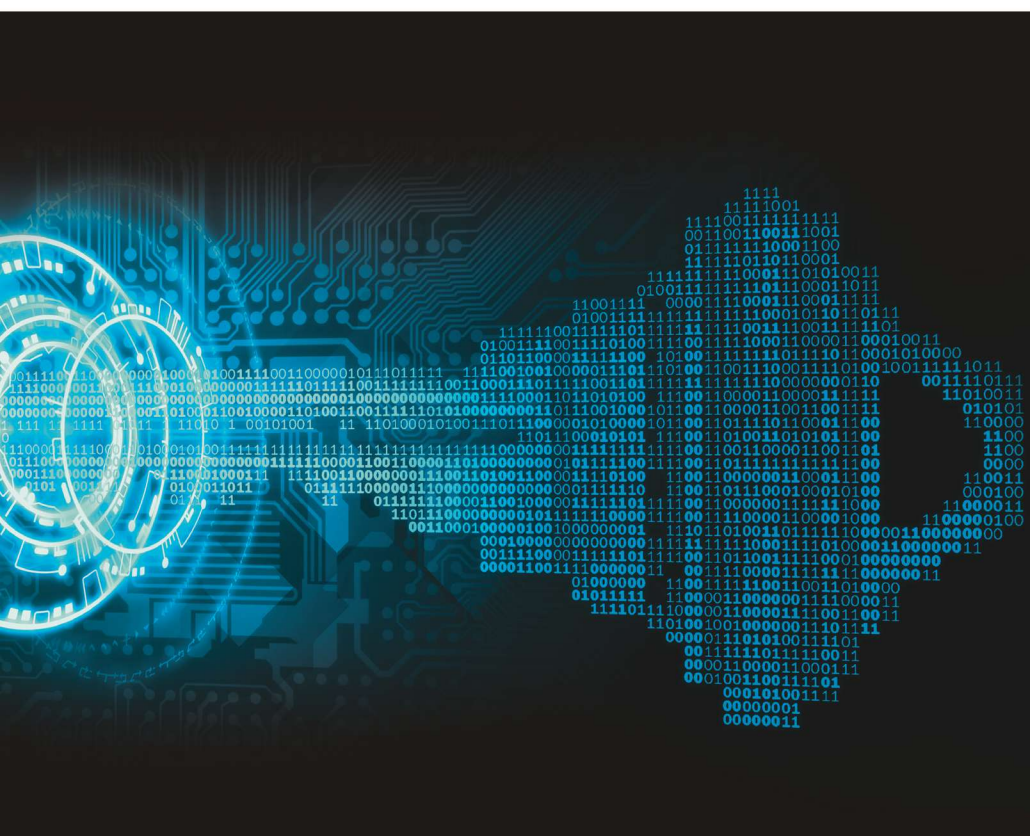
“It’s really a matter of verifying, verifying, verifying,” Schuelke says.

“When I’m contacting consumers and I tell them I’m with the Texas Attorney General’s Office, I suggest they look me up, call the toll free number, and get routed the long way to confirm.”

Criminals go where the money is—the path of least resistance, Spanbauer says. Perry adds a note of caution for Texas REALTORS®: “Business email compromise, for real estate, is where the money is at.”

**MICHAEL SCHRANTZ** is social media editor for the association.

The Federal Communications Commission (FCC) and Better Business Bureau (BBB) offer cybersecurity checklists you can complete to gauge your vulnerability. Find these resources by searching “BBB 5 Steps to Better Business Cybersecurity” and “FCC Cybersecurity for Small Business.”





# Attend the Texas real estate event of the year



**September 7-10**  
**Henry B. González**  
**Convention Center**

**Four packed days of conference events featuring:**

Keynote speaker, Vernice "FlyGirl" Armour, America's First African American Female Combat Pilot. Put Sept. 7 on your calendar so you won't miss her fresh, edgy, and high-energy presentation.

One-day-only Trade Expo on Sept. 9 with over 150 vendors exhibiting the latest in products and services.

Over 40 hours of CE to choose from.

**Keynote speaker**  
**Vernice "FlyGirl" Armour**





The way to

**OUTEARN**

the competition isn't just to

**OUTWORK**

the competition, but to

**OUTTHINK**

the competition.



Choose the education that gives you the competitive advantage.  
Earn your Master of Real Estate degree from REALTOR® University.

[RealtorU.edu](http://RealtorU.edu)

## DON'T MAKE THESE MISTAKES WHEN PRICING YOUR HOME

Deciding how much to ask is one of the most important decisions when selling your home. Here are some pitfalls to avoid.



### **MISTAKE 1: OVERPRICING YOUR HOME**

Setting a high asking price can backfire. Buyers are reluctant to make offers on clearly overpriced homes. And the longer a home sits on the market, the more it takes on the stigma of a property with a problem.

### **MISTAKE 2: RELYING ON BAD DATA**

Some home values you find online may be based on incomplete or inaccurate data. REALTORS® and real estate appraisers are your best sources for real estate data and pricing information.

### **MISTAKE 3: COMPARING YOUR HOME TO THE WRONG PROPERTIES**

Your house may be worth more or less than a similar house in a different neighborhood. In addition to location, other factors that affect price include property condition, size, and features.

### **MISTAKE 4: FACTORING IN YOUR EMOTIONS OR FINANCES**

Buyers won't pay more for the fond memories you have of your time in your home. They also won't take into account your financial situation. All that matters is what the home is worth to them.

Your Texas REALTOR® can help you determine a price to help you sell your home and meet your goals.

# TAKE 5

## WRITE BETTER LISTINGS

How you describe and characterize a property can impact sales price, time on market, and the probability of a sale during a given marketing period, according to a study in the *Journal of Housing Research*. Set your listing up for success by employing these tips.

### EXPAND ON THE PHOTOS

Use the listing description to explain anything that may not be obvious from just looking at the photos. For example, if the layout of the home isn't immediately obvious or a unique feature is easy to miss, highlight those details in the description.

### GO BEYOND SPELLCHECK

Spellcheck often misses words that are spelled correctly but mistakenly used, such as *9-foot sealing* instead of *9-foot ceiling*. Have someone else proofread your descriptions or find a spelling and grammar tool that checks for mistaken words and homophones.

### AVOID ABBREVIATIONS AND JARGON

The description will follow your listing wherever it's syndicated, and with more homebuyers starting their searches online, you should avoid terms that may be unfamiliar to consumers.

### FIND THE SWEET SPOT

Strike a balance between including helpful details and writing too much. When in doubt, stick to information that broadens the pool of potential buyers, such as accurate descriptions rather than opinions about features.

### DON'T USE ALL CAPS

Listings that are written in all caps or employ caps for emphasis can be difficult to read.



# Where customers reap the benefits.



**More than \$750 million returned in  
the last 10 years.**

At Capital Farm Credit, we're a cooperative. That means we're owned by the same farmers, ranchers and landowners we serve. Based on our 2017 earnings, we've returned a total of \$163.8 million – \$77.5 million in cash and \$86.3 million in allocated equities for future disbursement. Join the partnership that really pays.

**Together we're better.**  
**Partnership that really pays.**



capitalfarmcredit.com | 877.944.5500

NMLS493828

ADVERTISEMENT

# PROPERTY TAX "WORRIES"?



**DEADLINE  
AHEAD!!!**



**YOU ONLY HAVE A LIMITED TIME TO REDUCE YOUR  
REAL AND PERSONAL PROPERTY TAXES**

**THE LAST DATE TO FILE A PROTEST OF VALUE – MAY 15\***

Texas Property Tax Consultants, Inc., is a professional property tax consulting firm with the simple goal of reducing your tax payments. Through our careful planning, evaluation, and presentation of appeals, we have saved property owners thousands of dollars. Every analysis is backed by years of successful, aggressive property tax appeals. TAX REFUNDS may also be available, so call today.

**THERE IS NO CHARGE FOR OUR SERVICES  
UNLESS WE ARE ABLE TO REDUCE YOUR TAXES!**



*CALL ME TODAY*

**JOHN G. HIRSCHY, MAI, SRA, CCIM  
TEXAS PROPERTY TAX CONSULTANTS, INC.**

**P.O. BOX 2009**

**COPPELL, TEXAS 75019-8009**

**PHONE: 972-304-0909 Ext. 0**

**Info@PropertyTaxDFW.com**

**[www.PropertyTaxDFW.com](http://www.PropertyTaxDFW.com)**

\*With exceptions

Texas Property Tax Consultants, Inc. is a wholly owned subsidiary of John G. Hirschy & Associates, Inc. John G. Hirschy, MAI, SRA, CCIM, is highly educated in valuation work, and is acting as a Property Tax Consultant, not an Appraiser, in lowering property taxes. Building photographs are from Shutterstock.com.