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Succeed in Texas Real Estate

March 2021 \$3.50

MULTIPLE OFFERS

Working with buyers and sellers
in this fast-paced market [p. 18](#)

Delivery of the
Option Fee is
Changing [p. 16](#)

Commercial
Transaction of
the Year [p. 24](#)

Low-Cost Ideas
to Market
Yourself [p. 8](#)



KINDNESS IS A JOB REQUIREMENT.

Finding a house requires facts and numbers. But helping someone find a home and supporting them through the biggest transaction of their life - that takes kindness. We don't mess around when it comes to championing our clients, their families and our community. If you have a big heart, you've found the right place.



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Texas REALTORS® ADVOCACY During COVID-19

Even while sheltering in place, REALTORS® have been advocating to protect consumers, professionals, and the real estate industry.



ENSURE REAL ESTATE IS AN ESSENTIAL SERVICE statewide to protect real estate transactions



PROVIDE GUIDANCE for serving clients safely and responsibly



PROVIDE RECOMMENDATIONS for conducting in-person real estate license exams



SHARE INSIGHT into impacts on real estate industry and how REALTORS® have adapted to serve clients safely



REAL ESTATE PROFESSIONALS ARE ELIGIBLE FOR FEDERAL RELIEF, including small business loans and unemployment insurance



ADVISE STATE LEADERS on reopening government offices for real estate consumers



PROTECT REAL ESTATE LICENSE HOLDERS seeking renewal and applicants



EXPAND NOTARY SERVICES for real estate documents



#TREPACTogether

See Texas REALTORS® resources, updates, FAQ, and other content related to COVID-19 at texasrealestate.com/coronavirus

CONTENTS

16

FEATURE CHANGES TO TREC CONTRACTS AND OPTION FEE DELIVERY

The way you and your clients deal with the option fee is changing April 1. Learn what's new—plus, read about other changes to the *One to Four Family Residential Contract (Resale)* and which other TREC contracts have been revised.



18 COVER STORY

MULTIPLE OFFERS

by Joe Olivieri

Limited inventory in most Texas markets has led to fierce competition for purchasing homes. Here are some things to keep in mind for buyers and sellers when multiple offers are in play.



INSIGHTS

- 4 Chairman's column: Break through adversity
- REALTOR® Day at the Texas Capitol goes virtual
- 5 Texas commercial members honored by NAR

BUSINESS

- 6 Improvements that don't add value
- Finding the right home is a challenge
- 7 Improve systems to improve your business
- Working with blunt communicators
- 8 Budget-friendly ways to raise your profile
- Reasons for mortgage denials

LEGAL & ETHICS

- 10 How a policies and procedures manual protects your brokerage
- When buyers never visit a property
- 12 Code of Ethics training required
- Fact or fiction? Promotional items and sponsorships
- Your forms: *Request for Employment Verification* form

- 14 Revised *Consumer Protection Notice*

- Can a seller instruct you to not cooperate?

- 15 Where to get Texas REALTORS® forms

SHARE THIS

- 27 Stage your outdoor spaces

TAKE 5

- 28 Avoid contract problems

20 FEATURE

2021 TEXAS REALTORS® WINTER MEETING

See highlights, photos, and award winners from this year's virtual event.

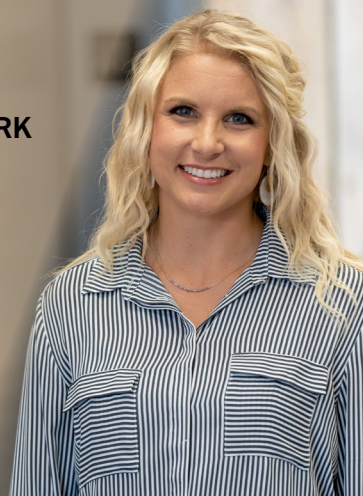


24 FEATURE

A THIRD ACT FOR A LUBBOCK LANDMARK

by Joe Olivieri

Alison Blalock brokered a complex deal that brought affordable housing to downtown Lubbock and was honored with the 2020 William C. Jennings award for commercial transaction of the year.





Chairman

“2021 is starting off as a year of adversity.”

We had no idea that Texas would be facing such big challenges due to the February weather event.

Texas REALTORS® are experienced in identifying problems, providing advice, and creating solutions. If Texas REALTORS® can't solve a problem, we swing into action to find an expert who can.

Life isn't about what happens to us—it's about how we *respond* to what happens to us. Even more important than what happens *to* us is what happens *in* us. Adversity causes some people to break down, and adversity causes others to break through.

We have a choice.

We have a choice as individuals: Break Down or Break Through.

We have a choice in helping family members, friends, neighbors, and our communities: Break Down or Break Through.

We have a choice as business people: Break Down or Break Through.

We have a choice as an association of Texas REALTORS®: Break Down or Break Through.

Four reasons that Texas REALTORS® will Break Through:

1. Purpose: We have a very important mission.
2. People: We are surrounded by a supportive team of talented and caring individuals.
3. Preparation: We have planned well and provisioned accordingly.
4. Promise: The best is yet to come for Texas and for Texas REALTORS®.

So, as we move forward in 2021, we will all make the choice: Break Down or Break Through.

Make the choice personally, to Break Through.

Make the choice professionally, to Break Through.

And make the choice as a member and leader with Texas REALTORS®...

When others Break Down, make the choice to Break Through.

Let's Break Through Together.

In 2021.

Marvin Jolly

LIFE ISN'T ABOUT WHAT HAPPENS TO US—IT'S ABOUT HOW WE RESPOND TO WHAT HAPPENS TO US.

REALTOR® DAY LEGISLATIVE MEETINGS IN MARCH AND APRIL

REALTOR® Day at the Texas Capitol is a cornerstone event in the association's advocacy efforts.

This event is usually held in person at the Texas Capitol; however, Texas REALTORS® has adapted this year's event by hosting virtual meetings with members of the 87th Texas Legislature in March and April.

The 2021 legislative session looks different than years past, and the need for REALTORS® to advocate

for Texas real estate is greater than ever.

Visit texasrealestate.com/realtorday to:

- Watch Opening Session on March 15, 10-11 a.m. Central—or watch the recording after.
- RSVP for meetings with Texas legislators to be held March 15-April 9.
- Watch Closing Session, April 9, 2-3 p.m.—or watch the recording after.

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Joey Bellington
Whitetail Properties
San Antonio Board of REALTORS®
APEX National Broker of the Year-
Recreational Land Sales



Andy Flack, ALC
HomeLand Properties
Tall Pines Association of REALTORS®
APEX Top National Producer



Terrence Maiden
Russell Glen
MetroTex Association of REALTORS®
Dallas Business Journal Commercial
Transaction of the Year



William Northern
Northern Crain Realty
Greater Fort Worth Association of
REALTORS®/Texas REALTORS®
William C. Jennings Award

TEXAS COMMERCIAL MEMBERS RECOGNIZED NATIONALLY

Five commercial members of Texas REALTORS® were recognized by NAR as 2020 National Commercial Award recipients. These REALTORS® have been previously honored for their achievements in the commercial real estate industry and now receive national recognition.



Bill Tinsley
Ellis & Tinsley, Inc.
Greater Fort Worth Association of REALTORS®
Society of Commercial REALTORS® Charles D.
Tandy Award



WANT TO BE PART OF TEXAS REALTOR® ?

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SOME IMPROVEMENTS ADD MARKETABILITY, NOT VALUE

A beautiful mural for a child's bedroom. A handmade gazebo for early summer nights. An elaborate and well-maintained garden. Buyers and sellers may highly value these additions, but appraisers will not.

These cosmetic features do not raise a home's appraised value, says David Morgan, a Dallas-Fort Worth area broker and Certified General Appraiser with 35 years of experience in residential and commercial real estate.

"As an appraiser, you'd look at homes that sold with a simple gazebo and ones that sold without, and chances are there's not any difference in the sales price," he says.

Site improvements, such as an accessory dwelling unit or an outdoor living area with kitchen, can add value. Clients should not expect a dollar-for-dollar return on their investment, Morgan warns.

"I've seen people put in a \$50,000 outdoor living area in a \$200,000 neighborhood and expect to get \$50,000 more when they go to sell it, and it's not there. It's an overimprovement. You paid more for it than the market will recognize in the value increase," he says.

Swimming pools are the classic example of an over-improvement, Morgan says. "You put in a \$60,000 pool in a \$300,000 neighborhood and it increases the value maybe \$20,000 or \$25,000."

The market value of these improvements matters because deals can be at risk if the property is appraised below the asking price. Depending on the contract, the buyer can back out of the deal or negotiate a different price. Buyers can also find another lender and appraiser, which Morgan says is not uncommon.

That said, not all site improvements or cosmetic updates add value, but most add marketability, Morgan says. "That means it makes it easier to sell because buyers like it, which usually results in less time on the market. However, it's wiser to remodel or update kitchens and bathrooms than build a gazebo or a fancy mural. That's where real value is added," he says.

DIFFICULTY FINDING THE RIGHT PROPERTY is the top reason clients aren't completing transactions,

according to the 2020 Profile of Texas REALTORS® Members. One quarter of all members surveyed noted locating the right property as the most important limiting factor. Other reasons cited were affordability (18%) and difficulty obtaining a mortgage (15%). Nearly one in five members answered that no factors were limiting potential clients. Among members who work with commercial clients, finding the right property also led the list (25%).



STOP INEFFICIENT WORKAROUNDS BY IMPROVING YOUR SYSTEMS

Do you frequently write down notes on scrap paper only to recopy them into your records later? Are you relying on your memory or cumbersome steps for tasks that could be automated or streamlined?

Inefficient systems leave the door open to costly mistakes. Missed deadlines jeopardize transactions. Lost paperwork and unrecorded details increase your risk of lawsuits and fair housing claims.

Conversely, more effective systems give you more time back, reduce mistakes, and help you increase productivity. They can also eliminate frustrations.

Consider these examples of systems to improve:

Don't leave your listing appointments to memory or chance. Make a checklist to ensure you collect all the information you need, gather all the materials you want to share, cover important information, and follow up on time. A low-tech solution could be a simple checklist document or spreadsheet. Or you can use an automated system or app that helps track and manage tasks.

Create a workflow for each type of transaction you handle. There are many actions and timeframes to keep track of throughout the lifecycle of your transactions. Multiply that by the number of transactions you are working on, and it is a recipe for tasks falling through the cracks. Solutions can be as simple as a spreadsheet with columns for every important deadline, or a Gantt chart. There also are many excellent project management programs and real estate transaction management applications.

Remember: the best system is one you will use consistently. If several people in an office or on a team are involved, be sure that systems are easy for all to access and update. The investment to create systems now can pay big dividends in the future.



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READ THIS (Working with blunt communicators)



Did my client just text me a demand?

Why doesn't this email from the other agent have a friendlier tone?

Couldn't my broker have used more tactful phrasing during our conversation?

Before you spend too much time worrying about a communication that seems cold, consider whether the other person is simply blunt about communications.

Written communications often lack tone. People contacting you may hear their messages in their head with a friendly quality. But you, as the recipient, can't hear that tone. If the other party gets right to the point and makes no effort to use friendly language or emoji, the written message comes off as abrupt.

Is it a pattern? The more you work with someone, the better you know that person's communication style. If the other party is always direct and succinct, you need not worry over each abrupt encounter. You might even choose to alter your own style to match that person's more direct approach.

How to handle a potential problem. Even when a terse message is out of character for someone, don't assume that indicates a problem on your end. The other party may be pressed for time or upset about something unrelated to you. But you may want to check if something is amiss. One approach is to touch base by phone, video meeting, or in-person meeting. Tone of voice, body language, and eye contact provide more clues than words alone.

Even if only able to communicate by text or email, consider a few diplomatic questions to elicit more information. You can ask if everything is OK or whether there is anything you should know about what's going on. Another approach is to ask whether there is information or assistance you can provide at this time. It might also help to let the other person know that you are open to feedback and input—all with the goal of helping achieve the objectives at hand. With a little careful attention, you'll be able to separate problems out of your control from those you can influence, and you will head off small problems before they turn into major trouble.

BUDGET-FRIENDLY WAYS TO RAISE YOUR PROFILE



Advertising can increase your business, but there are also many low-cost ways you can make a big impression.

Optimize Your Social Media

A social media presence keeps you in front of lots of people, but simply having a Facebook page or Instagram account is just a starting point. Since prospects are researching you before contacting you, create the kinds of accounts that would motivate them to choose you over another agent. Post consistently, but beware—frequent posts marketing yourself may be a turnoff. Make sure to offer interesting and useful information—and share client success stories and photos with the subjects' permission.

Social media is also a free way to cultivate and maintain your existing network.

Share Your Knowledge

Showcasing yourself as a knowledgeable professional can introduce you

to new audiences. Consider starting a podcast or posting educational videos to YouTube. You could write a short e-book to give to anyone who signs up for your contact list. Offer to be a guest on an established radio program, TV show, or podcast. Serve as an expert source to local news media. Speak to civic groups. Some agents and brokers host free informational sessions on real estate topics, such as first-time homebuyer sessions.

Ask for Referrals

Your strongest advocates are your former clients. Reach out to them and ask for their referral. People generally value the endorsement of a trusted friend or family member, and many clients hire the first agent they find.

Volunteer in Your Community

It's always good to help your community, and one added benefit may be building goodwill toward you and your business. People who know you

through volunteering may be more inclined to hire you. It's another way of building trust in your brand.

Network, Network, Network

Some of your business may come from fellow REALTORS®. Attend industry functions and meet people. Some certifications and designations have their own referral networks—join them. Refer clients to other REALTORS® when you cannot help them yourself. Join professional groups on social media.

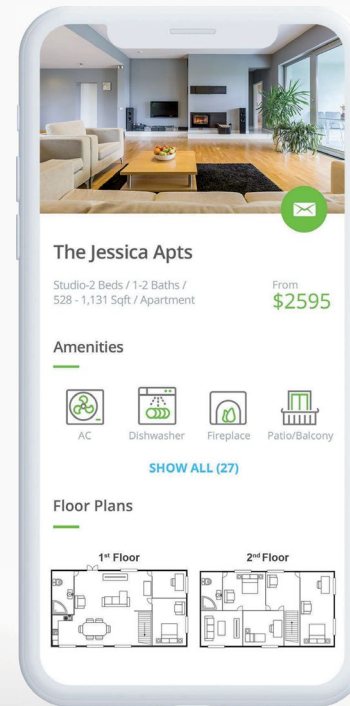
Promote Your Professionalism

Tell your contacts that you are more than a licensed sales agent or broker—you are also a REALTOR®. Explain that REALTORS® adhere to the highest standards set forth in the Code of Ethics. Be an ambassador for your profession—promote how REALTORS® work together to pass local ordinances and state and federal laws favorable to property owners and real estate transactions.



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“Yardi Breeze is easy to use. Tenant tracking, maintenance requests and online support ... I love everything about it!”

Danielle Drozdek
RB Homes, Inc.

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9.8% of mortgage loan applications were denied nationwide in 2018

Most common reasons why:

- **33%** Debt-to-income
- **23%** Credit history and credit score
- **17%** Collateral
- **13%** Incomplete applications

Houston (8.7% denial rate) and San Antonio (8.4%) were ranked **seventh** and **10th** among the top U.S. cities where borrowers are most likely to be denied for a mortgage.

Debt-to-income was the most common denial reason in both cities.

Denial rates vary by race and ethnicity.

- **17.4%** Black or African American
- **14.3%** Other minority
- **13.1%** Hispanic white
- **10.2%** Asian
- **9.8%** All applicants
- **7.9%** Non-Hispanic white

SOURCE: LendingTree analysis of 10 million mortgage applications using 2018 home mortgage disclosure act data <https://www.lendingtree.com/mortgage-denials-at-cycle-low/>



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YOUR AGENT DID WHAT? How Your Brokerage's Policies and Procedures Manual Helps You Manage Expectations, Compliance, and Liability

by John Torvi



As a broker, you hope the actions by your agents—and your interactions with them—result in successful sales and transactions. Yet sales and negotiating skills are hardly sufficient for either party to be fully successful in running your businesses. Today's successful real estate practices require that communication, expectations, and procedures are fully vetted and in place for managers and agents to succeed.

The *Independent Contractor Agreement for Sales Associate* (TXR 2301) and the *Statement of Understanding* (TXR 2302) will not by themselves be sufficient to establish norms and expectations for a brokerage. Similarly, the typical insurance policies that a real estate firm might own would not cover what happens on the *inside* of an office. A policies and procedures manual can fill in these gaps and help avoid unfortunate misunderstandings, or worse.

Typical items of possible dispute include:

- Commission disputes
- Unfair, illegal, or discriminatory actions affecting one's opportunity for success or ability to practice in a safe, healthy work environment
- Unauthorized professional services
- Failure to practice cybersecurity methods
- Inappropriate social media presence
- Improper marketing activities and more.

Few of these are generally covered by insurance but can still result in complicated lawsuits, failed transactions, and damage to relationships and reputations. Clearly defined and documented procedures can minimize these unfortunate consequences.

Communicating expectations also can matter when it comes to errors and omissions policies. Typically, E&O policies are purchased to protect the firm and all those who "act on its behalf." That wording is crucial because the policy will say something like, "Coverage is contingent on an insured (an agent or employee of the firm), acting on behalf of, and with the authority of, the Named Insured (the firm)." That means if a broker does not want the firm's agents providing property management services or engaged in commercial transactions, for example, and an agent does anyway, coverage can be denied by the insurer.

But how was the message about acceptable professional services delivered, if at all, to the agent? If not presented formally to the agent as a documented policy, the broker and agent could find themselves in a difficult and expensive situation if a lawsuit results from that property management service. Other issues often excluded from E&O policies include commission disputes, the broker and agent suing each other, employment practices like harassment or discrimination (this can sometimes be added as an endorsement to the policy), fraud (committed internally against the firm or externally against a third-party), and unauthorized tax or legal advice, which can happen when involved in foreclosed properties, tenant evictions, or mortgage default.

General liability and cyber policies also have restrictions on coverage, such as those related to use of an unauthorized website or an email service lacking proper security measures.

A well-conceived policies and procedures manual exceeds the language of the *Independent Contractor Agreement* and any other external requirements. It should include:

- References to authorized professional services
- Who pays what amount of an insurance deductible in the event of a claim
- Use of personal computers or devices and cybersecurity management
- Commissions
- Office and professional etiquette, including harassment and discrimination
- Use of alcohol or substances when driving or in the presence of clients
- Open carry
- Agent and client safety
- Open house procedures (especially during a pandemic)
- And other items related to your daily practice.

The manual should be formally reviewed annually with each team member and should include consequences for any policy breach.

Clear expectations benefit all members of the firm. It is helpful to consult with a legal and insurance advisor to make sure that no provisions violate any statute or regulation (including independent contractor status), and to address any coverage implications. Planning for the unexpected of even the most routine task is always time well spent!

JOHN TORVI is vice president of marketing and sales at The Landy Insurance Agency, a Texas REALTORS® E&O risk management partner.



A policy and procedures manual isn't just a good idea; it's required by Texas law. Texas Real Estate Commission rules require a broker who sponsors agents or who is a designated broker for a business entity to maintain written policies and procedures and notify sales agents in writing of the scope of their authorized activities.

Texas REALTORS® offers members a *Broker Responsibility Guide*, which highlights statutes and rules that should be addressed in a broker's office policy manual. Texas REALTORS® also offers a *Model Brokerage Policies and Procedures Manual* to members for purchase. This manual includes policies and procedures required by TREC and those derived from state and federal laws and the NAR Code of Ethics. Find both guides at [texasrealestate.com](https://www.texasrealestate.com) > [For REALTOR® Members](#) > [Legal & Ethics](#) > [Resources](#) > [Manuals and Guides](#).

Q&A

I know that Texas Real Estate Commission rules require a broker to maintain written policies and procedures for the broker's sponsored salespersons. I recently got my broker's license, but I don't sponsor any agents. Am I still required to have a manual?

NO. Only a broker who sponsors salespeople or is a designated broker for a business entity must maintain up-to-date written policies and procedures. A broker who sponsors salespeople is subject to this rule regardless of how long the broker sponsors the salespeople. A broker who is the designated broker for a business entity is subject to this rule whether or not the business entity sponsors salespeople.

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REDUCE YOUR RISK WHEN BUYERS PURCHASE A PROPERTY THEY'VE NEVER VISITED

Virtual tours, photos, and other technology make it increasingly possible for buyers to get a feel for a property without ever physically visiting it. Still, there are characteristics of a home that can only truly be experienced in person. When buyers choose to close a transaction without ever touring the home, there are two existing Texas REALTORS® forms where you can note that decision.

Buyer's Walk-Through and Acceptance (TXR 1925) has a section to indicate if the buyer has walked through the property or has chosen not to. The form also states that the buyer accepts the property in its current condition. By requesting that the buyer sign this form with the appropriate box checked, you get clear written documentation that the buyer chose to proceed with the

transaction despite not having visited the property.

General Information and Notice to Buyers and Sellers (TXR 1506) provides helpful information on a number of topics, including a paragraph titled Inspections, Repairs, and Walk-Through. This paragraph notes that buyers should not only have the property inspected by a professional but should accompany the inspector during the inspection. It also states that buyers should walk through the property prior to closing to ensure that repairs and other contractual provisions have been met.

Though buyers may still decide to close on a home they have never visited, these forms document that you provided information about the importance of in-person visits and note the buyer's decision to skip this step.

LEGAL & ETHICS

ETHICS TRAINING DEADLINE: DECEMBER 31, 2021

All REALTORS® in Texas Must Complete Training Every Three Years



The TREC Legal II course required to renew your license no longer satisfies the NAR requirement for REALTOR® Code of Ethics training. This change was adopted by the NAR Board of Directors in 2019.

What This Means For You

All REALTORS® must take Code of Ethics training every three years. The current deadline by which all REALTORS® must take the training is December 31, 2021.

If you completed TREC Legal II in 2019 or the NAR-approved ethics training in 2019 or 2020: You have completed the NAR requirement for the current cycle that ends on December 31, 2021.

If you did not complete TREC Legal II in 2019 or another NAR-approved ethics training in 2019 or 2020: You must complete NAR Code of Ethics training by December 31, 2021.

How to Find Your Ethics Training Status

NAR has an online lookup to check your ethics training status: nar.realtor/my-account (login required).

What Courses Currently Satisfy the NAR Requirement?

- Code of Ethics courses offered by Texas REALTORS® (search courses at texasrealestate.com/ethicstraining)
- Code of Ethics courses offered through a local association
- The NAR C2EX endorsement
- NAR Official Code of Ethics Online Training
- Courses from The CE Shop in partnership with Texas REALTORS® (texasrealtors.theceshop.com, use discount code COE35 for 35% off),

If you have questions, please contact your local association or the Texas REALTORS® Professional Development Department at education@texasrealtors.com.

Your Forms



Property managers and lease listing agents can use the *Request for Employment Verification* form (TXR 2219) to obtain employment history information from a prospective tenant's past or present employer. The form includes spaces for the employer to list the beginning date of employment, monthly gross income, current position, and other relevant information. There is also space for the employer to sign and date the form. This form can be used for residential and commercial purposes. *Request for Employment Verification* should be used with *Authorization to Release Information Related to a Residential Lease Applicant*, which is part of the *Residential Lease Application* (TXR 2003) or the *Authorization to Release Information Related to a Lease Applicant*, which is part of the *Commercial Lease Application* (TXR 2120), as applicable. This is one of more than 130 forms exclusively available to Texas REALTORS®.

Fact or Fiction?

Promotional items and sponsorships are considered advertising.

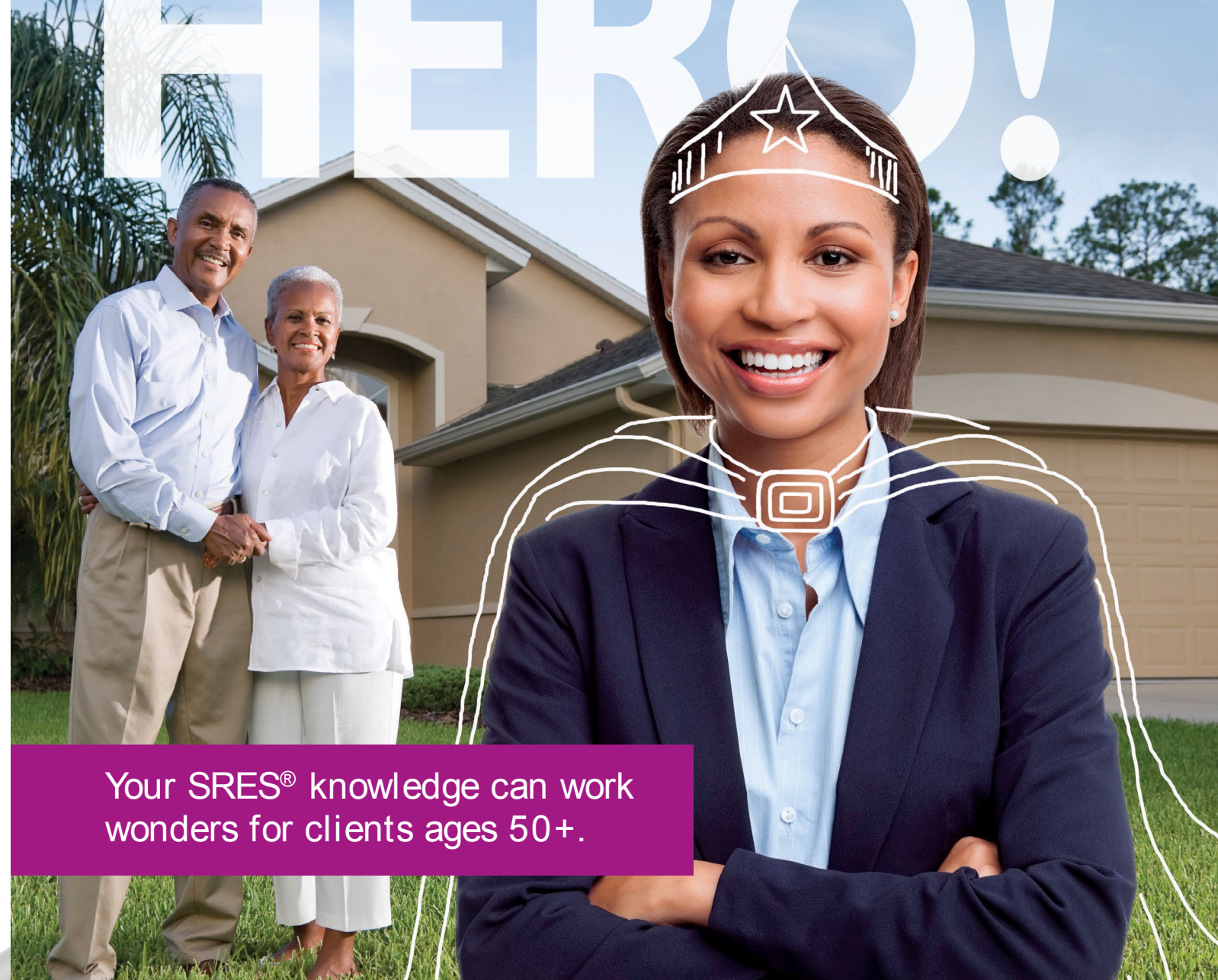
FACT. TREC considers those items, which may include pens or calendars, to be advertising. The broker's name must be included in at least half the size of the sales agent's or team name, if the agent or team name is listed. Using only the broker's name is OK.



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HERO!



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POST THE REVISED CONSUMER PROTECTION NOTICE AT YOUR BROKERAGE



The revised *Consumer Protection Notice* (CN 1-3; TXR 2503) took effect February 1. You can find the revised notice at trec.texas.gov/forms/consumer-protection-notice and texasrealestate.com/realtorforms. The revised notice informs consumers that inspectors must carry E&O insurance.

The Texas Real Estate Commission requires sales agents and brokers to post the form by providing a link to it on their business websites and by displaying it at their physical place of business.

For your business websites, TREC requires that you place the link in a readily noticeable place on the homepage and label it either "Texas Real Estate Commission Consumer Protection Notice" in at least 10-point font or "TREC Consumer Protection Notice" in at least 12-point font.

Business websites include professional social media accounts. You can place the link in the account's profile, or a separate page or website through a direct link from the social media platform or account holder profile, according to TREC.

TREC has updated the form on its website, so no action was needed if you have linked to trec.texas.gov/forms/consumer-protection-notice. If you saved a copy of the notice to your site, you must update it immediately.

For a physical place of business, TREC rules state that the notice must be displayed "in a readily noticeable location in each place of business the broker maintains." *Places of business* typically means offices where sales agents and brokers meet clients and engage with the public. *Readily noticeable* means where the public can view the notice, not in a private office or behind a wall.

The notice cannot be altered in any way. Brokers cannot change the font or add their logo to the notice.

My seller told me to not cooperate with a particular firm regarding her listing. Can the seller do that?

YES. While Article 3 of the Code of Ethics requires that REALTORS® cooperate with other brokers, there is an exception when cooperation is not in the client's best interest. A seller's demand not to cooperate with a firm or agent is a legitimate instruction regarding the sale of her property and could be viewed as meeting this exception. Be sure, however, that the decision not to cooperate originates from the owner and not you.

It's a good idea to get this instruction in writing from the seller. Should a broker or agent from that particular firm request a showing, you can inform that broker or agent of the seller's decision to restrict cooperation on this particular sale and follow up by sending written confirmation.



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WHERE CAN YOU GET TEXAS REALTORS® FORMS?



As a member of Texas REALTORS®, you receive exclusive access to 130 forms—including 40 commercial forms—above and beyond the 27 forms the Texas Real Estate Commission offers all license holders. Spanish and Vietnamese translations of some forms are available for reference purposes.

Members can access these forms at texasrealestate.com. In the *For REALTOR® Members* section, select the *Legal & Ethics* dropdown menu and choose *Blank Form Downloads*.

Texas REALTORS® forms are also available from these licensed form-fill and transaction management vendors:

- **zipForm:** Members of Texas REALTORS® receive access to zipForm as part of your association benefits.
- **Brokermint**
- **DocuSign**
- **Dotloop**
- **Instanet**
- **SkySlope**

Additionally, the Texas REALTORS® *Seller's Disclosure Notice* (TXR 1406), *Information About On-Site Sewer Facility* (TXR 1407), and *Information about Special Flood Hazard Areas* (TXR 1414) are licensed for use by Sellers Shield, a Texas REALTORS® risk management partner that provides a service that guides sellers of single-family one-to-four properties through the disclosure process and helps prevent lawsuits for sellers and their agents and brokers. If you ever see a Texas REALTORS® form being provided outside of these vendors, please email details to forms@texasrealestate.com. Texas REALTORS® wants to protect the valuable resources that only members are entitled to use.



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CHANGES COMING TO TREC CONTRACTS AND DELIVERY OF OPTION FEE

The Texas Real Estate Commission in November 2020 approved several changes to promulgated contract forms, which go into effect April 1. The most significant of those affect delivery of the termination option fee. Here are answers to commonly asked questions about the changes.

It is important during this time to note which form you are using to ensure you handle delivery of the option fee correctly.

What changes are being made to delivery of the option fee?

TREC recently adopted changes to their residential contract forms with respect to the delivery of option fees. Under the revised forms, which become mandatory April 1, 2021, a buyer is required to deliver the option fee to the title company, not to the seller.

What is the deadline for delivery of the option fee to the title company under the revised forms?

The buyer must deliver the option fee to the title company within three days after the effective date of the contract.

May the buyer deliver the option fee together with the earnest money?

Yes. The option fee and earnest money may be paid separately or combined in a single payment. The amount delivered will be applied first to the option fee then to the earnest money.

Will the seller have to wait until closing to receive the option fee from the title company?

No. Under the revised forms, the buyer authorizes the escrow agent to release and deliver the option fee to the seller at any time without further notice to or consent from the buyer and releases the escrow agent from liability for delivery of the option fee to the seller. The option fee will be credited to the sales price at closing. Note, however, that any disbursement may be conditioned on the collection of good funds acceptable to the escrow agent. Title companies, which are regulated by the Texas Department of Insurance, must comply with good-funds rules before disbursing option fees.

When am I required to use the updated versions of the TREC residential forms?

The updated versions may now be used on a voluntary basis. They are mandatory April 1, 2021.

Will title companies be ready to receive option fees?

The Texas Land Title Association is working with its members to ensure title companies are aware of the changes and prepared to receive delivery of the option fee.

Texas REALTORS® is working with all forms vendors, including zipForm, to ensure the forms are posted prior to April 1. Look for the updated forms in the vendors' libraries and on [texasrealestate.com](https://www.texasrealestate.com).

CHANGES TO THE ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)

- **Paragraph 2C:** The definition of *Controls* was updated to include both software and applications used to access and control accessories along with dedicated hardware solely used for the accessory.
- **Paragraph 4:** This paragraph now contains lease information, including references to the new residential and fixture lease addenda as well as information on natural resource leases to which seller is a party.
- **Paragraph 5:** The revised section combines payment of earnest money and termination option in a single provision and calls for payment of the termination option fee to the title agent.
- **Paragraph 10:** A smart-devices section was added to clarify that those devices get transferred with the sale of the property.
- **Paragraph 21:** The notice information changed to allow for more email addresses by updating *Fax* fields to read *Email/Fax*.
- **Paragraph 23:** This paragraph was deleted to follow the changes to Paragraph 5.
- The Broker Information page now contains additional space for team names.
- Disclosure language at the bottom of the Broker Information page was updated regarding broker compensation. It now better explains—with examples—why another broker may be receiving compensation for the transaction.

WHICH OTHER FORMS WERE UPDATED?

Not every contract received the same update, so check TREC's website for specifics.

TXR	TREC	Name
1601	20-15	<i>One to Four Family Residential Contract (Resale)</i>
1603	23-16	<i>New Home Contract (Incomplete Construction)</i>
1604	24-16	<i>New Home Contract (Completed Construction)</i>
1605	30-14	<i>Residential Condominium Contract (Resale)</i>
1607	9-14	<i>Unimproved Property Contract</i>
1701	25-13	<i>Farm and Ranch Contract</i>
1902	38-7	<i>Notice of Buyer's Termination of Contract</i>
1918	45-2	<i>Short Sale Addendum</i>
1922	36-9	<i>Addendum for Property Subject to Mandatory Membership in a Property Owners Association</i>



MULTIPLE OFFERS

How to work with buyers and sellers in this fast-paced market. by Joe Olivieri

Today's limited inventory and strong demand mean your clients may face situations they would not encounter at other times. By understanding the scenarios that may occur and the options available to the parties, you can help your buyers and sellers realize their goals.



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BUYERS FACE STIFF COMPETITION FOR PROPERTIES

Your buyer clients will need to stand out from the crowd in order to get a contract accepted. Many properties are going under contract quickly and often with multiple offers above listing price. Consider these tips for helping buyers put their best foot forward in this increasingly common scenario.

Prepare Them to Possibly Pay More

With such limited supply but no decrease in demand, home prices have been rising in most Texas markets. Stephen Etzel, a real estate educator, consultant, and broker based in Roanoke, Texas, tells clients to expect to pay full price in most situations. "In some markets, people are paying \$10,000, \$15,000, \$20,000, or higher over the listing price."

Prepare them for the possibility they may have to pay out-of-pocket. Since lenders approve loans based on the appraised value of a property, buyers may need to close the gap between what they can borrow and the price of their offer. You can help set buyers' expectations by showing them recent sales information.

Make Sure They Understand the Appraisal Addenda

It's important that your clients understand how to use TREC's *Third Party Financing Addendum* (TXR 1901) and the *Addendum Concerning Right to Terminate Due to Lender's Appraisal* (TXR 1948). Knowing ahead of time how the provisions of these forms work can help buyers make faster choices about how they want to structure their offer and what protections they want in place pending the outcome of the appraisal.

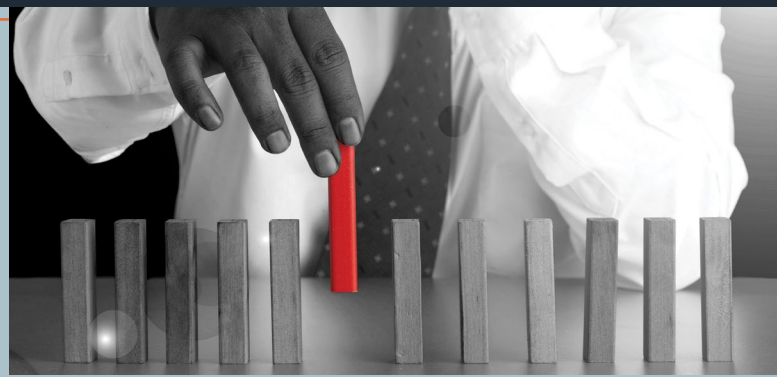
Get Pre-Qualified

Sellers like offers from pre-qualified buyers, since those buyers have already contacted a lender to see how much money they might be eligible to borrow. Cash offers—for those buyers able to do so—are another attractive alternative to sellers, since they are easier than more complex financial arrangements.

Etzel points out that pre-qualified buyers know their budget and can make offers more quickly than buyers who haven't taken this step.

Be Ready to Move Quickly

Texas homes spent an average of 48 days on the market in January 2021, down from 68 days in January 2020. Many properties are selling much faster than that. Etzel recommends counsel-



ing buyers so they know exactly what they're looking for and can make offers quickly. If their offer isn't selected, buyers need to be able to move on just as quickly.

Be Accommodating to the Seller

Etzel says one way to stand out is to make fewer demands of the seller. Each request is one more reason the seller might choose a different offer. Your client might forgo asking for closing costs or seller concessions, or even offer to pay for the owner's policy of title insurance, as described in Paragraph 6 of the *One to Four Family Residential Contract (Resale)* (TXR 1601).

Earnest Money Amounts Can Help

Buyers who commit more earnest money show the sellers they are serious about buying the property.

Don't Overlook Option Money

Offering more option money may be even more attractive to sellers than a higher amount of earnest money, Etzel says. The option money goes to the seller even if the buyer terminates, which can be enticing.

WHEN REPRESENTING SELLERS, BE FAIR OR BEWARE

Congratulations on receiving multiple offers for your seller's property. What do you do now? To comply with Texas Real Estate Commission rules, you and your client's next steps must treat all prospective buyers fairly or you risk disciplinary action.

Before Offers Arrive

Consider talking with your client about the possibility of multiple offers. Do you and your client want to tell all buyers' agents, or none of them, that there are other offers on the table?

After Offers Arrive

Consider using the *Seller's Estimated Net Proceeds* (TXR 1935) to determine the advantages of each offer.

Your client isn't required to accept a full-price offer or the offer with the highest price. Instead, your client has the following options:

- Accept an offer.
- Use *Seller's Invitation to Buyer to Submit a New Offer* (TXR 1926) to let all buyers know what terms are more acceptable to the seller. This form does not constitute a counteroffer to any buyer and allows the seller to consider and accept other offers.
- Propose a counteroffer to one buyer. The counteroffer remains open until the buyer rejects it in writing or the seller withdraws it in writing. The seller should never send multiple counteroffers at the same time because doing so could obligate the seller to more than one buyer and create legal problems for the seller.
- Reject all offers and tell all buyers to submit their highest and best offer.



The one thing you and your client cannot do is to share the terms of one offer with only one buyer's agent. TREC rules forbid giving an unfair advantage to one buyer over another, so disclosing the terms of an offer to a different buyer's agent so they can "get the deal" could subject you to discipline. ★

LEARN MORE ABOUT HELPING SELLERS WITH THIS CE CLASS

Handling Multiple Offers and Multiple Buyers teaches a seller's options in responding to multiple offers as well as options for communicating those responses. You will also learn the duties and responsibilities to buyer and seller clients and how to advise them when considering multiple offers. The next course takes place March 24 and is



available as a live broadcast. To register, visit texasrealestate.com/findacourse.

TEXAS MARKETS IN JANUARY



48

Average Days on Market

1.6

Total Months of Inventory

According to the Texas Real Estate Research Center, 6 to 6.5 months is considered a balanced market

Months of Inventory for Major Metros

1.9	Houston	1.4	El Paso
1.6	San Antonio	2.2	Corpus Christi
0.4	Austin	1.8	Laredo
1.1	Dallas-Fort Worth-Arlington		

12.7%

Texas median price increase year over year

\$262,000

median price

Use MarketViewer—the exclusive data tool for Texas REALTORS®—to access the latest market data and generate custom reports and infographics. You can get statistics for your county, city, ZIP code, and even many neighborhoods. Visit texasrealestate.com/marketviewer.

Source: MarketViewer

JOE OLIVIERI is assistant editor of Texas REALTOR®.



WALTER BOND
THE ACCOUNTABILITY LEADER



William C. Jennings Award

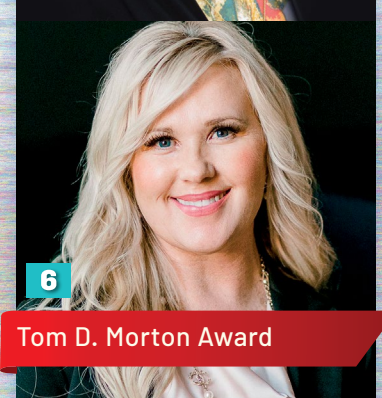


TEXAS REALTORS
2020 REALTOR OF THE YEAR AWARD

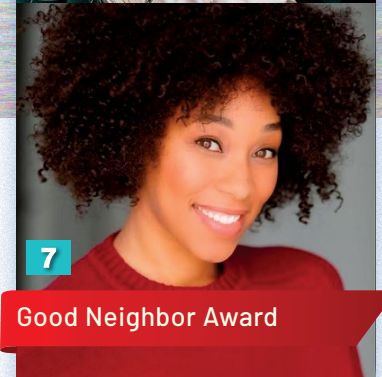
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Educator of the Year



Tom D. Morton Award



Good Neighbor Award



Grassroots Advocate of the Year



Regional vice presidents heard member feedback and offered updates during caucus meetings February 16.

The Texas REALTORS® Board of Directors met February 18. They approved the election of 2022 regional vice presidents:

Region 1: **Vanessa Dirks [a]**, Lubbock; Region 3: **Tim Schoendorf [b]**, Denton; Region 3: **J.R. Martinez [c]**, Greater Fort Worth; Region 4: **David Long [d]**, Collin County; Region 4: **Nick Kline [e]**, Collin County; Region 8: **Jack Stapleton [f]**, Williamson County; Region 10: **Gail Robinson [g]**, Brazoria County; Region 11: **Carl Leatherman [h]**, Harlingen; Region 12: **Cathy Mitchell [i]**, MetroTex; Region 12: **Judy Jones [j]**, MetroTex; Region 12: **Taylor Walcik [k]**, MetroTex; Region 13: **Jan Hicinbothom [l]**, San Antonio; Region 13: **Grant Lopez [m]**, San Antonio; Region 13: **Sara Briseño Gerrish [n]**, San Antonio; Region 13: **Marquis Williams [o]**, San Antonio; Region 14: **Mario Arriaga [p]**, Houston; Region 14: **Chaille Ralph [q]**, Houston; Region 14: **Richard Miranda [r]**, Houston; Region 14: **Cathy Trevino [s]**, Houston; Region 14: **DeLora Wilkinson [t]**, Houston; Region 14: **Shae Cottar [u]**, Houston; Region 14: **Cindy Hamann [v]**, Houston; Region 14: **Lorraine Abercrombie [w]**, Houston; Region 15: **Teresa Scott-Tibbs [x]**, Austin; Region 15: **Susie Kang [y]**, Austin; Region 15: **David Pruitt [z]**, Austin; and Region 16: **Andrew Haggerty [zz]**, Greater El Paso.

REALTORS® gathered virtually to inspire, inform, and celebrate accomplishments together at the 2021 Texas REALTORS® Winter Meeting, February 16-18.

The event drew 2,241 registrants, many facing significant challenges during Winter Storm Uri. The panels and sessions will remain available at texasrealestate.com/wintermeeting.

"We move into 2021 still geographically and socially distanced. However, we continue to move towards goals that help our members and their clients succeed," said 2021 Chairman **Marvin Jolly [1]** at the beginning of the opening session.

Executive coach and former NBA player **Walter Bond [2]** gave a keynote address that encouraged REALTORS® to build relationships and seize opportunities. Being committed to the result, and not the strategy, allows for pivoting to more successful strategies.

"Adversity will increase our value if we let it. I don't care where you go. I don't care how you study. Anytime you see someone who did something great, already know they went through adversity," Bond said.

Shad Bogany [3] of the Houston Association of REALTORS® was named 2020 Texas REALTOR® of the Year. The 2013 Texas REALTORS® chairman's positive influence on real estate includes educating audiences through TV and radio; industry leadership

at the local, state, and national levels; and civic participation on housing issues.

"My goal has always been to give back to the real estate industry by being a vessel, a gateway to the American Dream of homeownership," he said in his acceptance speech. "Real estate is not just a career or a job for me. It is part of my everyday life."

The following award winners were recognized: William C. Jennings Award for commercial transaction of the year: **Alison Blalock [4]** of the Lubbock Association of REALTORS®; Educator of the Year: **Candace Cooke [5]** of the Williamson County Association of REALTORS®; Tom D. Morton Award for association executives: **Connie Coots [6]** of the Odessa Board of REALTORS®; Texas REALTORS® Good Neighbor Award: **Sydney Ealy [7]** of the Houston Association of REALTORS®; Texas REALTORS® Grassroots Advocate of the Year: **Lee Overstreet [8]** of the Granbury Association of REALTORS®; Mark Lehman Governmental Affairs Achievement Award: **Austin Board of REALTORS®**; Education Program of the Year – Innovation: **Houston Association of REALTORS®**; Education Program of the Year – Marketing: **Houston Association of REALTORS®**; Education Program of the Year – Series or Short Program: **MetroTex Association of REALTORS®**; Education Program of the Year – Legal: **MetroTex Association of REALTORS®**.





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2022 Chairman

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2022 Chairman-Elect

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2022 Secretary/Treasurer



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DAWN MOORE
CEO AND FOUNDER, ALLEG

NAR president-elect **Leslie Rouda Smith [9]** updated the directors on REALTOR® priorities that were included in federal COVID-19 relief in December. Those included \$25 billion in rental assistance, a fresh round of funding and simplified forgiveness for U.S. Small Business Administration loans, and more direct payments to Americans. She also described advocacy goals: additional relief, tax incentives for homeownership, construction of affordable housing, preserving Section 1031 like-kind exchanges, and a more inclusive national housing policy.

The board also approved the election of the 2022 Texas REALTORS® Leadership Team: Chairman **Russell Berry [10]**, Chairman-Elect **Marcus Phipps [11]**, and Secretary/Treasurer **David Alan Cox [12]**.

The Governmental Affairs Forum, "Advocacy in Action," featured Jolly interviewing Texas Comptroller **Glenn Hegar [13]** about the Texas economy. Hegar said while the COVID-19 pandemic and lower oil and gas prices impacted Texas significantly, sales tax revenue has lessened the impact of the economic downturn. Hegar also discussed the state's budgetary shortfall, the Economic Stabilization Fund, and pensions.

"The Texas economy still has a way to go to get back to pre-pandemic levels; however, it's held up better, thankfully, partly because of you and I, the consumers, adapting to try to continue to engage with the economy," he said.

Texas **Rep. Cody Harris [14]** and **Kristy Wages**, Region 5 appointee to the Political Involvement Committee, talked about the two-way street between legislators and advocates.

Governmental affairs leaders discussed firsthand experiences with local, state, and national political advocacy. **Shannon McGahn [15]**, NAR chief advocacy officer; **Tray Bates**, Texas REALTORS® vice president of governmental affairs; and **Adam Majorie**, Collin County Association of REALTORS® chief advocacy officer, talked about how REALTORS® can get involved.

The YPN and Global, Commercial, and Diversity Committees examined increasingly diverse consumers, millennial homebuyers, the rise of global climate-conscious investing, and how commercial development can create inclusive communities across Texas. "A Common Thread" featured 2021 Diversity Committee Chairman **Chauncey Pham [16]**, 2020 Diversity Chairman **Sara Briseño Gerrish [17]**, 2021 Global Committee



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COMPTROLLER GLENN HEGAR



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RYN WILSON
PARTNER, WAVGROUP



14

REP. CODY HARRIS
TEXAS HOUSE DISTRICT 8



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29



15

SHANNON MCGAHN
NATIONAL ASSOCIATION OF REALTORS® CHIEF ADVOCACY OFFICER



30

CÉSAR BLANCO
TEXAS SENATE DISTRICT 29

member **Bahman Davani [18]**, 2021 Commercial Committee Vice Chairman **Amber Gilbert [19]**, 2019 Commercial Committee Chairman **Kenny Gross [20]**, 2019 YPN Committee Chairman **Nick Kline [21]**, 2021 Global Committee Chairman **Brenda Taylor [22]**, and 2020 YPN Committee member **Cameron Willmann [23]**.

"Contract Issues Old and New, Especially New!" was moderated by Risk Reduction Committee Chairman **Cathy Trevino**. TREC General Counsel **Vanessa Burgess**, TREC Deputy General Counsel **Abby Lee**, Allegiance Title Company CEO **Dawn Moore [24]**, and Texas REALTOR® member **Rob Cook** discussed contract changes, including delivering the termination option fee to the title company, the residential lease addendum, and the residential fixture addendum. They also talked about multiple offers and backup contracts.

During the Tech/MLS Forum, "What's Ahead for the Real Estate Business and its Practice," NAR Senior Counsel **Charlie Lee [25]** and NAR Director of MLS Engagement **Rene Galicia [26]** talked about the recent U.S. Department of Justice settlement and MLS rules. Lee said no actions are required at this time pursuant to the settlement; NAR and the DOJ are finalizing the language of future changes, which must be filed and submitted for approval. Galicia discussed other MLS rules that took effect at the beginning of the year.

WAV Group Managing Partner **Marilyn Wilson [27]** led "How Mergers Are Shaping the Real Estate Industry." She discussed companies' greater interest in referrals and data and the impact of Facebook Marketplace, among other topics.

TREPAC celebrated the year's accomplishments with "TREPAC Together: 2020 Awards and Recognition Program." Leaders reported raising \$5.16 million in 2020. TREPAC counted 152 Hall of Fame members, 129 President's Circle members, and 1,036 major investors.

Special recognition went to **Mike Brodie [28]**, \$200,000 RPAC Hall of Fame tier, and **Mary Francis Burleson [29]**, \$225,000 RPAC Hall of Fame tier. Brodie and Burleson are the top two investors in the U.S.

"I believe that when you're in business and you care about what you do, that you put your money and your time where your mouth is," Burleson said.

A special guest, Texas **Sen. César Blanco [30]**, said COVID-19 relief and recovery, the biennial budget including public school financing, and redistricting would be major issues for the 87th Legislature. ★

A Third Act for a Lubbock Landmark

Metro Tower withstood a tornado but sat underutilized for years. REALTOR® Alison Blalock rallied executives and public officials to bring affordable housing downtown. Her five-years-in-the-making property sale won the 2020 William C. Jennings award for commercial transaction of the year.

by Joe Olivieri



Renovations to Metro Tower are scheduled for completion in late 2021. The Lubbock landmark will be home to 89 affordable housing units in the heart of downtown.

REALTOR® Alison Blalock won the 2020 William C. Jennings Award for commercial transaction of the year.



In 2015, Alison Blalock met with out-of-town developers to discuss a building she listed. She and the developers drove around Lubbock, looking at buildings and talking about what's happening downtown.

Then the developers saw the city's tallest building, Metro Tower. It wasn't for sale, yet the developers were extremely interested. "We want that one," they said. The WestMark Commercial/TNC Worldwide REALTOR® said she'd make some calls.

Standing Tall Over the Years

The Great Plains Life Insurance Building was constructed in 1955 on brick-paved Broadway Street. The 20-floor, roughly 111,000-square-foot building was designed by David S. Castle, an Abilene architect whose works have been listed on the U.S. National Register of Historic Places.

On May 11, 1970, downtown Lubbock was hit by an F5 tornado. The storm caused close to \$200 million in damages and 26 deaths in Lubbock, according to the city.

Telecom company NTS Communications bought the building in the mid-1980s. By 2015, Metro Tower housed a few floors of NTS corporate offices as well as their main servers and wiring.

Floors eight through 20 were vacant due to fire safety issues. The building needed extensive remodeling, a new fire sprinkler system, and a secondary staircase to allow full occupancy again. Without it, the tower would remain underutilized and slowly deteriorate.

Selling "Mom's Building"

Metro Tower was no ordinary property for Blalock. "In the late 1980s, when I was very young, I grew up knowing that building as 'Mom's building.' My mom actually managed and leased Metro Tower for several years. I have a few short memories of going into the building," the Lubbock native says.

Blalock's first call about the project was to her mother, commercial agent and WestMark teammate Karen Higgins. Higgins shared her background knowledge and had even kept old building plans and reports from her property management days.

They later toured Metro Tower together. Higgins showed Blalock where her office used to be. The carpet Higgins had replaced was still inside the building. "I had a very personal connection with this building already," Blalock says.

Blalock got in touch with NTS Communications' executives. She pitched the developers' idea: buy the building and renovate it using Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credits and Texas Historic Preservation Tax Credit funds. She presented multiple offers over the next three years, but the timing wasn't right, she says.

In late 2018, Blalock reached out again after hearing about a change in upper management. NTS was now very interested in selling the building. NTS was in the process of selling the business to fiber-optic telecommunications company Vexus.

"Vexus did not want the building because of its many issues, so it was actually perfect timing: NTS could sell the business to Vexus and the building to us," she says.

Making the Case for Metro Tower Lofts

Blalock and the developers needed to act quickly to apply for the TDHCA 9% Competitive Housing Tax Credits. They negotiated a sales price and contract deals before the end of the year.

"This transaction was really funded through tax credits, and that process is very competitive," Blalock says. "We knew going into it that we were going to need to get quite a bit of support."

Blalock compiled a brochure with key information. She contacted Mayor Dan Pope, the Lubbock City Council, and the city's downtown redeveloper, McDougal Companies. She told them this was Lubbock's chance to revive the tower while also bringing affordable housing and redevelopment to the central business district tax increment reinvestment zone. Blalock received unanimous support.

Blalock and the developers also met with Texas Rep. John Frullo. She credits his support as crucial to receiving full funding from TDHCA. The tax credit process took most of 2019.

Obstacles to Closing

NTS Communications planned to keep its servers and equipment on the second and third floors and satellites on the roof. NTS and the developers needed to sign a long-term lease to allow them to stay. The NTS servers could not be disturbed during renovation and remodeling.

All renovations had to meet Lubbock's fire and code standards for safety, while also meeting historic preservation



Photos courtesy of Alison Blalock

"I had a very personal connection with this building already," says Alison Blalock, pictured with her mother, commercial agent and teammate Karen Higgins. Blalock has childhood memories of when Higgins managed and leased Metro Tower in the 1980s.

Metro Tower was built in 1955 and designed by architect David S. Castle.



criteria approval to receive full funding.

Closing was planned for March 20, 2020. At the beginning of the month, historic preservation officials nixed the idea for a fire escape connecting floors 1 to 4 because it would disrupt the building's historic exterior. Blalock, the project's architect, engineer, and city officials drafted a new plan in a few hours that was approved by all parties.

When the COVID-19 pandemic began to disrupt life and business activity in March, investors froze some of the developers' funding. The developers made some financial changes and the deal closed on April 30, 2020.

"I could not have done this without city support. I am very thankful for all of the people who helped get this deal done," she says.

New Lofts Coming Soon

Metro Towers Lofts is scheduled to be completed in late 2021. The project will bring 89 affordable housing units to the heart of downtown.

"There were so many times that I thought there was no way that this was actually going to close," Blalock says. "There were so many obstacles, so many tiny details that all had to be worked out, and so many people involved in it. Even until weeks before closing, I didn't know if it would. We kept taking it one step at a time."

Blalock was shocked to learn she had won the William C. Jennings Award. She says she is honored to have been a part of the once-in-a-lifetime deal and proud of the trust the developers put in her hands.

"Because of this deal, we're seeing new things happen in downtown Lubbock. Additional people are investing and opening new businesses down there, and that makes me very excited to see that redevelopment actually happening right before my eyes." ★

JOE OLIVIERI is assistant editor for Texas REALTOR®.

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STAGE YOUR OUTDOOR SPACES

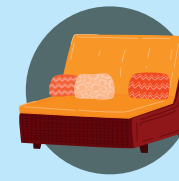
When preparing for a sale, homeowners often focus on curb appeal and interior staging to entice buyers. Staging outdoor areas—decks, patios, and other gathering spots—can also add to your property's appeal. An inviting outdoor space encourages buyers to see it as an extension of the indoor space, adding virtual square feet to the home.

These tips can help you improve or transform your outdoor space into a place where buyers want to spend time. For more advice on preparing your home for sale, talk to a REALTOR®.



WASH EVERYTHING

Start with a clean space. Use a hose, power washer, or damp cloth to get rid of pollen, cobwebs, wasp nests, and similar unwelcome things. If you have a deck, pergola, or other wooden feature, give it a fresh coat of stain. Are your chairs rusty or rotted? Replace or remove them. Make sure cushions are free of mold and mildew.



SOFTEN YOUR SPACE

Hard materials, such as wood or concrete, can be cold or unwelcoming. Add an outdoor area rug—preferably one that adds texture and color—and accent pillows to seating. Is there a side to your space that overlooks a street, air conditioning unit, or similar unwanted view? Hang an outdoor curtain or sunshade.

LIGHT UP THE NIGHT

People don't only use their outdoor space during the day—especially in Texas. Install outdoor string lights, decorative lanterns, or solar powered lighting to illuminate your space. Place small, battery powered lamps on tables to brighten corners or add ambience.



LIVEN UP WITH PLANTS

Whether it's flowers or succulents in pots, vines climbing a post, or well-groomed bushes, plants add appealing textures and colors to your space. Even a vase of bright artificial flowers is better than nothing.



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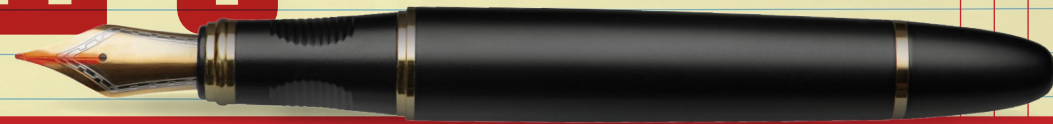
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AVOID CONTRACT PROBLEMS

With more than two dozen TREC forms and 130-plus Texas REALTORS® forms, you have the tools to help your clients keep transactions on track. By using forms properly, you reduce your and your clients' risk of misunderstandings—and even lawsuits. Here are some general tips to keep in mind:

AMENDMENTS

Proposing an amendment to a contract—or refusing to accept a proposed amendment—does not give either party a unilateral right to terminate an existing contract. The contract is only changed after the parties sign the amendment signifying their agreement. Without a fully executed amendment, the original contract remains in effect as written.

ALTERING CONTRACTS

Only cross out part of an existing contract if specifically directed to do so in writing by your client. Your client should give you written instructions that specify the desired changes. You should also advise your client to contact an attorney for legal advice about the effect of striking out contract language.

OUTDATED FORMS

If you receive an offer on your listing on an outdated TREC or Texas REALTORS® contract form, present the offer to your seller and tell him that it's on an outdated form. Next, inform the other broker that the contract form used was outdated and that the other broker is obligated under TREC rules to use a current form. If your seller intends to counter the offer, draft the counteroffer on a current form. If your seller wants to accept the offer on the older form and not move the sale to a current form, urge the seller to seek the advice of counsel before doing so.

VERBAL AGREEMENTS

Verbal agreements must be reduced to writing and signed by the buyer and seller to become a valid contract. If the offer remains verbal, a contract is never created, nor signed; there is nothing for the buyer to enforce. While verbal negotiations of contracts can be a quicker way to reach an agreement, verbal agreements are not enforceable for the sale of real property.

Find more information about contracts and other legal topics at texasrealestate.com/faq.

COUNTING DAYS

When calculating deadlines, TREC and Texas REALTORS® contracts use calendar days, not business days. This includes weekends and holidays unless the provision provides for an exception. One notable exception is found in the Earnest Money provision of TREC's current *One to Four Family Residential Contract (Resale)* (TXR 1601), which allows that if the final day for performance (delivery of the earnest money) falls on a weekend or legal holiday, then the date for performance is moved to the next day that is not a weekend or legal holiday. This exception is extended to the delivery of the option fee in the recently adopted update to the *One to Four Family Residential Contract (Resale)* that becomes mandatory for use April 1.

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