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ANSWERS TO YOUR
PROPERTY MANAGEMENT
QUESTIONS ON REPAIRS,
LOCKS, SMOKERS,
HAUNTED HOUSES,
AND MORE

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Is Theft of Home
Title a Myth?
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2022 NAR President
Leslie Rouda Smith
(She's from Texas, Y'all)
p. 20

New Standards
for Inspectors
p. 15



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**NAR 2022 PRESIDENT
LESLIE ROUDA SMITH** *by Joe Olivieri*

The 2016 Texas REALTORS® chairman talks leadership, family, and the national issues that will affect you and your business.



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NOTHING YOU CAN'T MANAGE

Repairs? Issues with tenants or landlords? Haunted houses? Find the answers to your property management-related questions and resources available to members of Texas REALTORS®.

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COVER © Jacob Lund - stock.adobe.com

18 FEATURE

THEFT OF HOME TITLE

by Aimee Hess

There seem to be more and more commercials offering services related to "home title fraud." But how common is home title fraud, and what can your clients do to protect themselves?



INSIGHTS



“LIFE CAN ONLY
BE UNDERSTOOD
BACKWARDS BUT
IT MUST BE LIVED
FORWARDS.”

—SOREN KIERKEGAARD

Chairman

To the Future

They say that the windshield is larger than the rearview mirror for a reason. Looking forward is much more beneficial than looking backward. Yet, occasionally, some healthy retrospection is warranted. The journey as your chairman in 2021 has been one that I will never forget.

2021 was a year in which Texas REALTORS® largely functioned virtually as an organization. We had no idea that our 101st year of work for REALTORS® and property owners would be the start of not only a new century of the association but in many ways the start of a new era, operating as we had never done before.

And with great challenge also came great success. The following are some highlights of 2021 at Texas REALTORS®:

- HOA reform
- Option fee delivery to title companies
- Removal of discriminatory covenants
- Property tax reform and relief
- Virtual Winter Meeting
- Virtual REALTOR® Day at the Texas Capitol
- Virtual Shaping Texas Conference
- Virtual trade missions with our counterparts in Mexico and in Brazil

- Leslie Rouda Smith stepped into the role as president-elect at NAR
- Home sale prices and units sold increased almost 20% from 2020
- 53,000 members participated in virtual education
- Enhanced technology and communications efforts
- Record-breaking \$5.8 million raised for TREPAC at participation of 44%.

As the year comes to a close and we reflect on the challenges and the successes of the year, it is clear that the work of Texas REALTORS® requires input from a broad-based, widespread, and diverse team of members, leaders, and staff who labor tirelessly on behalf of REALTORS® and property owners across Texas.

It has been an honor and a privilege to serve as your chairman. I am thankful for the accomplishments of 2021 and am excited about the work that we will all do together in 2022!

To the future!

Marvin Jolly

2.9% of
Texas REALTORS®
will never see this.

That's the percentage of members from the recent reader survey who said they never read this magazine.

Among the **97.1%** of members who do read the magazine, the most popular topics are legal/forms, market trends and stats, and business tips, in that order.

Fifty-nine percent of readers share or discuss articles with colleagues, while 53% share articles with clients and prospects. More than 2,000 members took the survey, and editors read every response to learn what specific topics you'd like in future issues, what formats you prefer, what entices you to read an article, and improvements you'd like to see.

Members can always provide input on the magazine at editor@texasrealtors.com.





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TREPAC BREAKS RECORDS, RECOGNIZES STANDOUTS

Local and state association leaders participated in the TREPAC/Governmental Affairs Orientation October 6-7 to prepare for 2022. Attendees received training in fundraising, politics, public policy, and local issues engagement. The Texas REALTORS® Political Action Committee/TREPAC raised \$5,822,784 in 2021—the highest dollar amount ever—with 58,777 members (44%) of Texas REALTORS® participating.

These strong totals in the fundraising year that ended September 30 enable Texas REALTORS® to continue supporting local and state candidates and elected officials who have a proven track record of protecting private-property rights, preserving the dream of homeownership, and supporting the vitality of the real estate industry. Learn more at trepac.com.

11 Members Honored for TREPAC Efforts

The annual Spirit of TREPAC Award recognizes Texas REALTORS® who have exhibited excellence at the local level as they participate, articulate, and communicate about TREPAC activities during the year. The 2021 recipients are:

- Lizeth Smith, Greater El Paso [1]
- Socar Chatmon-Thomas, Austin [2]
- Ashley Jackson, Austin [3]
- Diane Kennedy, Austin [4]
- Kat Robinson, Houston [5]
- Patricia Farrell, San Antonio [6]
- Eloise Eriksson Martin, MetroTex [7]
- Carl Leatherman, Harlingen [8]
- Jonathan Lindley, Greater McAllen [9]
- Nick Cantu, Greater McAllen [10]
- Jennifer Parker, Collin County [11]



54
Median age of REALTORS® in Texas

30% of members of Texas REALTORS® are 60 or over, while 17% are under 40. The median age of members who are brokers or broker associates is 60, while the sales agent median age is 53.

The 2021 *Profile of Texas REALTORS® Members* offers 120 pages of information about your peers, including details about demographics, incomes, business expenses, technology use, and more. Find it and other survey results and reports at texasrealestate.com/research.

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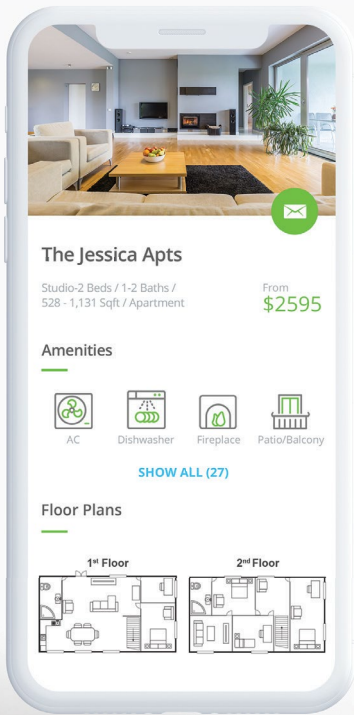
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Manufactured



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Starting at
\$1 per unit
per month*

Breeze **PREMIER**
Starting at
\$2 per unit
per month*

Easy setup	✓	✓
Property accounting	✓	✓
Vacancy & prospect tracking	✓	✓
ILS posting	✓	✓
Online applications	✓	✓
Online payments	✓	✓
Online maintenance	✓	✓
Email & text communications	✓	✓
Walk-in payments with PayNearMe	✓	✓
Vendor payments	✓	✓
Owner payments & reports	✓	✓
Live chat support	✓	✓
Renters insurance [†]	✓	✓
Resident screening [†]	✓	✓
Corporate websites [†]	✓	✓
Property websites [†]		✓
Online lease execution [†]		✓
Customer relationship management		✓
Job cost tracking		✓
Rent deferment		✓
Rent control		✓
Invoice approval & processing		✓
Corporate accounting		✓
Customizable financial statements		✓
Menu-level security		✓

*Minimums apply †Additional fees apply

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Danielle Drozdek
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THE BRIDGE FROM DREAMS TO GOALS

NAR Good Neighbor Award winner Sydney Ealy helps at-risk girls in Houston.

by Joe Olivieri



Success takes many forms for Sydney Ealy, founder and executive director of nonprofit Together We Stand Tall 4 Girls. She sees it in the smiling face of a girl who felt like she had no reason to smile. She sees it in happy, thankful kids who are interacting and trusting people. "I hear stories like, 'My mentor was helping me with my resume. She's the one who actually helped me get my job,'" she says.

Success is exposing girls to educational or career opportunities and then watching them pursue those opportunities. Success is enabling mentors to leave a legacy through their mentees.

"Overall, just seeing that everyone involved in TWST4Girls creates this generational impact and has this positive outcome by being involved in our program. That's success."

Here is another possible definition, courtesy of NAR. In October, NAR named Ealy one of five judged winners of the 2021 NAR Good Neighbor Award. She earns a \$10,000 grant for TWST4Girls. "I am humbled and excited ... just really proud and thankful," she says.

Ealy also won the Texas REALTOR® Good Neighbor Award earlier this year at the 2021 Texas REALTORS® Winter Meeting.

Offering Tools for the Future

TWST4Girls offers a variety of free educational programming for youth ages 11 to 17. It recently held a graduation for its Scholars Program, which provides girls with tools, training, and skills they'll need to have success and direction after high school. "At the end of the program, the young ladies receive a \$2,000 or more grant from TWST4Girls to pursue that. That's a big relief financially to those girls," Ealy notes.

The nonprofit offers exposure to possible careers and higher education opportunities for girls who don't know what they'd like to do, and guidance for those who do. TWST4Girls recently held an event exposing girls to aviation careers. "We had a lot of amazing volunteer pilots who brought their four-seater airplanes to teach the girls and took the girls up in flight. All of the girls loved it."

Other activities include Camping in the USA, an event about leadership, outdoor survival skills, and teamwork. Night hikes, kayaking, and fishing were also on the agenda. TWST4Girls also offers tutoring, feminine health and sexual education, and self-defense courses. The nonprofit can also connect girls with mental health specialists and counselors to cope with stress and losses.

Ealy talks with stakeholders continuously to hear where the needs are. Then she'll meet with the programming team



Photos Courtesy of TWST4Girls

and find the resources to implement them.

“For example, we have a lot of parents who say, ‘I can’t focus on anything but my finances. I’m about to lose my house. I’m about to lose my car.’ We bring in financial literacy instructors to teach parents not only how to budget but also maximize and invest their money.” TWST4Girls has offered homebuying and credit strengthening courses.

Lighting a Path to Their Goals

While all of TWST4Girls’ offerings are meaningful to Ealy, the mentorship program is particularly near and dear to her heart.

“We match those girls with women who have walked that bridge to their goals. They lit that path as they reached their goals, and so the girls have specific career guidance to whatever it is that they dream or whatever it is that they aspire to do.”

Mentors and mentees communicate weekly and meet up at least once a month to work on their goals or have fun. The mentors can also be a resource for the girls on topics they might not feel comfortable discussing with their parents or friends. “It’s such a beautiful program. You see them going out and having all of these experiences.”

It’s a program she wishes she had when she was growing up. “I believe if I had TWST4Girls, I would have had the bridge from my dream to my goals,” Ealy says.

Avoiding Pitfalls Growing Up

Ealy’s own challenges growing up informs her leadership of TWST4Girls.

She grew up in a single-parent family with several siblings and few financial resources. She dreamed of being a model and actress but didn’t have the resources or knowledge to follow those dreams. Ealy describes herself as a latchkey kid, returning to an empty home in subsidized housing after school.

She recalls being depressed and sad. Ealy says she didn’t have a father to reach out to for advice or counseling to cope with what she was going through. She was falling behind in school. She ended up being exposed to peer pressure and negative situations. “I fell into a lot of pitfalls growing up.”

Part of the idea behind TWST4Girls is to help at-risk girls avoid those pitfalls: to intercept them before they get there or help them out if they are already there. “Luckily I survived and had major success after those challenges,” she says.

Today, Ealy is a sales agent with Brooks & Davis Real Estate in Houston. She is an Accredited Buyer Specialist and Texas Affordable Housing Specialist with more than

15 years of sales experience.

“I really love hearing the joy in people’s hearts when they have a place of their own to bring their kids. The kids can roam; they aren’t stifled artistically or mentally. They have backyards and they can play instruments. I love to see people grow—that’s one of the really awesome things about helping people find affordable housing.”

Word-of-Mouth Beginnings

Ealy started TWST4Girls in 2014. “After years of having this dream, one day I stopped overthinking it and reached out to a couple of co-workers. I told them my dream and asked if they would like to each place \$20 in a fund to purchase supplies and launch TWST4Girls. They all said yes, and we went to purchase supplies.”

Ealy and her team built TWST4Girls from the foundation up, she says. They worked on business consulting and planning, role development, training, financial structures, operational procedures, and recruiting websites. Once everything was in place, they began recruiting volunteers and youth.

She had no trouble finding the first group of TWST4Girls participants. “During my real estate showings, I saw this young girl unsupervised and hanging out in a circle of boys. I asked her if I could meet her mom to tell her about my organization. She took me to her mom, and I told her about TWST’s upcoming event, and her mom was more than enthusiastic about it. She was so excited that she instructed her daughter to go next door to get her friends, and then her friends went and got their friends.”

The first projects were small and simple, such as museum tours and painting in the park. TWST4Girls grew from there.

What’s Next for TWST4Girls

TWST4Girls is working on acquiring annual funding. Ealy would love to see TWST4Girls get its own building, a safe haven for girls to go after school. “Definitely we would like to get some women on staff to help provide financial support and create jobs for people.” Ealy hopes to expand TWST4Girls to other cities where its services are needed.

Ealy says TWST4Girls aims to expand its mentorship program, volunteer force, and pool of recurring donors. “Use the leverage you have as a REALTOR® to reach out and support others, and I believe you’d have an abundant life in doing so,” she advises.

JOE OLIVIERI is assistant editor at Texas REALTOR®.



“I really love hearing the joy in people’s hearts when they have a place of their own to bring their kids.”



BUSINESS

5 TIMEWASTERS TO AVOID



You work hard for every client and closing. Don't let these bad habits be obstacles to your success.

Being Disorganized

Do you keep potential clients' contact information on scraps of paper? Are you frequently looking for lost emails about transactions or properties? Use a customer relationship management (CRM) system to end the chaos. Load it with names and contact information of everyone you know and everyone you meet. You can then categorize your contacts—leads, past clients, etc.—and set up systems to stay in touch appropriately.

Taking on the Wrong Clients

Your whole business involves attracting clients, so it's difficult to turn down someone who wants to work with you. However, some people aren't worth the effort. Maybe their budget doesn't match their must-have list or they insist on overpricing their listing. If the potential clients won't take your advice, it's better to decline their business.

Marketing to Everyone

Would you show a \$5 million listing to a recent college graduate with an entry-level job? Then don't send him a marketing email that features luxury listings. Segmenting your marketing efforts means providing relevant information to prospects and clients. Develop lists based on how you've organized the contacts in your CRM to target the right content to the right audience.

Always Being Free

You have plenty of flexibility with your schedule. But just because you don't have set work hours doesn't mean that you should be available to anyone at any time for non-work reasons. Make sure you're blocking enough time each day to do income-producing tasks.

Losing Focus

It's way more fun to watch a movie or play games on your phone than follow up with potential leads. But letting yourself get side-tracked can turn a 30-minute lead-generating task into an all-afternoon time suck. When it's time to work, put aside distractions and execute your business plan. And, no, scrolling through Instagram does not count as "working on your social media strategy."

SHARE THIS GUIDE WITH YOUR FIRST-TIME BUYER CLIENTS



Buying your first home, even in this market, does not have to be scary. Your clients can visit [homeownershipmatters.realtor/guide](https://www.nar.com/resources/homeownershipmatters.realtor/guide) to learn all about the real estate transaction.

NAR has articles and videos on grants and savings programs, credit history, and what questions to ask, among other topics. Podcasts from the U.S. Department of Housing and Urban Development and helpful infographics are also available.

4 TO 6 MONTHS

That's how long it took from start to finish to construct the majority of privately owned single-unit residential buildings in the South last year, with 54% of projects falling into that time frame. Another 22% were done in three months or less.



SOURCE: U.S. Census. The South is defined as a region that includes Texas, 15 other states, and the District of Columbia.

HOW TO SPOT MISINFORMATION ONLINE



If you're active on the internet and social media, it's important to be able to spot false information to prevent being misled and misleading others. It also helps protect your image as a reliable and trustworthy source of information among clients and prospects. Here are some ways to spot inaccurate information while you're scrolling.

Check the Source

One of the easiest ways to spot misinformation is to examine where it's coming from. Get as close as possible to the original source of the information. Also, take a good look at the webpage and URL of the story you're reading. Websites intended to fool their audiences will often be more disorganized and less professional than legitimate ones. You can double-check where links are taking you by hovering over hyperlinked text and being on guard for misspelled or suspicious web addresses. Check for grammatical errors or awkwardly written articles on social media and websites—these may also be a sign of misinformation. Finally, if the content is stirring up a lot of negative emotion, there's a chance it could be false information. Posts that create powerful emotions are more likely to get shared, so many people who spread misinformation will try to evoke those feelings.

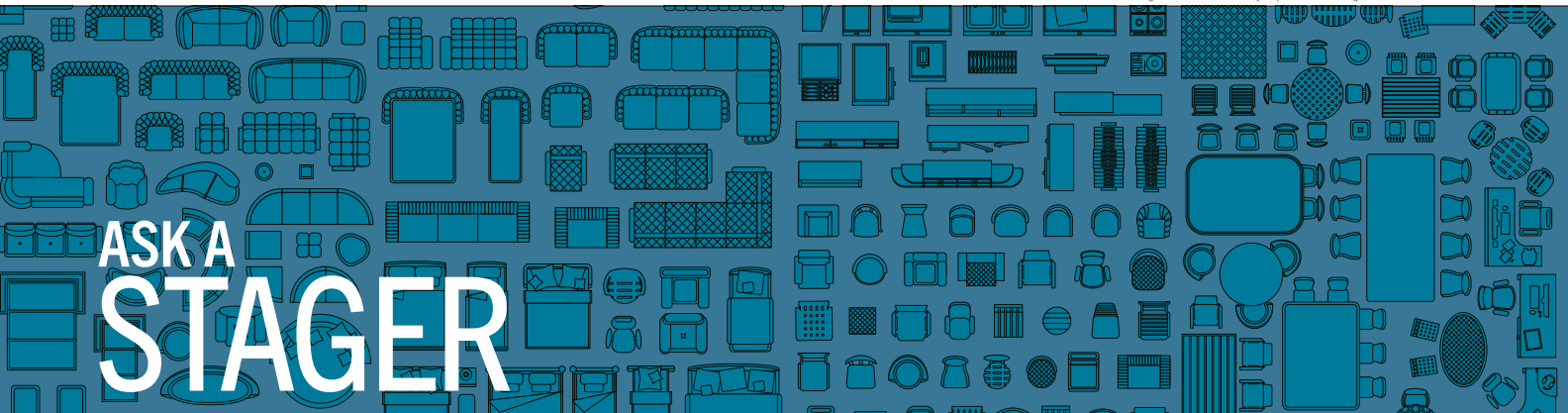
Read Beyond the Headline

While it may seem obvious to read the whole article before you share it, many people will repost content after only reading part of the story or even just the headline. A lot of posts containing misinformation try to get the reader's attention with "clickbait" headlines. Make sure to read an article in its entirety, shocking headline or not, because many misinformation articles leave important context out of the headline.

Fact Check

When in doubt, do a quick fact check on a suspicious article. Make sure any fact-checking websites you use are reputable and unbiased. If you see an odd or unbelievable image, you can also do a reverse image search on Google by uploading the image or copying and pasting the link to the photo. The results will show you where else this photo has been used, which can provide insight into whether it is accurate. Another simple suggestion is to see if other reliable sources are reporting on the story you're unsure about.

When in doubt, don't rely on information that you don't entirely trust, and don't pass it along to others.



ASK A STAGER

This is part of a series of interviews with other professionals who participate in the real estate transaction.

Karen Otto

Chief Staging Officer, Home Star Staging in the Dallas/Fort Worth metro area

Accredited Staging Professional

Former Regional Vice President, Real Estate Staging Association

How do you normally interact with real estate agents?

We partner with and support agents on the front-end marketing of homes for sale. Some agents like to be present if it's the first time their sellers are working with a home stager. Most agents like to understand how the process works. A good stager can easily explain the process and what staging can do for selling.

What are some of the most common topics that you deal with?

Not every home commands the same expectations from buyers. A first-time homebuyer looking in an entry-level market doesn't expect the highest-end finishes. Move-in ready, clean, and updated is key. I explain to sellers that a buyer may be able to roll already made improvements into a mortgage, but they are usually cash-strapped at closing and can't afford to do much updating. They are often willing to pay more for a home that is move-in ready.

Which cost-effective updates return the investment? Unless you're flipping a home, the updates generally recommended are cost effective, easy, and cosmetic, such as updated indoor and outdoor light fixtures. Some of the biggest returns on investment are painting with current neutral tones, refreshing baseboards, trim, and doors, and updating floors and counters. For furnishings and styles, you'd be amazed at what some key new pieces like updated linens, pillows, and artwork can do for a tired space.

There can be some reluctance to stage, especially in a seller's market. But that investment can pay off with offers of tens to hundreds of thousands of dollars more over asking price when every buyer who walks through

the door falls in love with the home. That really starts online with professional photos. Many buyers won't even go see a house they don't love online.

What are the most common misperceptions about your role in the real estate transaction? About staging itself?

1) That it's too expensive. Home staging consultations are the most cost-effective way to provide home-sellers with the information they need to stage the home themselves. Sellers can pick and choose to do all, some, or even none of the work. Consultations generally range from \$150 to \$300 for a few hours of on-site meeting and recommendations. Vacant home staging proposals are based on the scope of work, which includes square footage, style of furnishings, number of rooms to be staged, cost of labor, and timeframe of rentals.

2) That it's only for luxury properties. Every home in every price point can benefit from staging.

3) That it's only for vacant properties. Ask a stager about their occupied home staging services.

From a cost-effective home staging consultation to photo-styling services using what the seller has or even offerings of rental items, it's important to educate yourself on the variety of services at your disposal for staging.

Anything else you'd like to add?

Buyers buy with their eyes, hearts, and minds. They are looking for a home to satisfy lifestyle expectations and create memories and dreams for themselves and their families. Staging can help steer those expectations and allow them to visualize themselves in *their* new home.

ARE YOUR PROFESSIONAL APOLOGIES MISSING THESE TRAITS?



You are going to make mistakes in real estate. How you handle them makes all the difference. Apologies can rebuild trust with clients and protect your reputation long-term. Make sure your next apology includes the following characteristics.

PROPORTION. Understand what went wrong and craft your response to match it. You may be able to smooth over a poor choice of words with heartfelt remorse. A larger mistake may require action steps and accountability to fix. An apology that is too small or too large will not be effective.

SINCERITY. If you're going to apologize, mean it. Acknowledge directly what went wrong and your part in it. Understand how your actions have hurt the other person. Avoid fake apologies that miss the point or dodge responsibility; those are worse than no apology at all.

TIMELINESS. Mistakes should be addressed promptly. Your response does not need to be immediate, but it must be delivered soon after the mistake took place. Within one to three days is a good ballpark timeframe.

FOLLOW UP. Tell the other person how you plan to fix the mistake. How long will it take? What steps must be taken? When will you be in contact again? Share next steps and then complete them when you say you will to rebuild credibility.

PREVENTION. What will you do to make sure this same mistake does not happen again? Tell the other person what you will do differently going forward. Perhaps you add an item to a checklist or take additional training. Maybe your firm creates a new policy. This shows you have taken the situation seriously.

Done correctly, a great apology can not only mend a business relationship but solidify it. Treat these missteps as opportunities to make things right and show what you and your business are all about.

Consider asking for legal advice before apologizing if you are concerned admitting your mistake may put you at risk of being sued.

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I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

When Property Owners Want To Restrict Firearms On The Premises

Privately owned businesses must post signs corresponding to the type of carry they wish to limit.

The Texas Legislature passed HB 1927, the Firearm Carry Act, during the regular session earlier this year. This new law, which took effect September 1, allows any individual 21 years of age or older to carry a handgun in public. There is no longer any requirement for a permit or training. The bill does not allow individuals to carry a firearm under this law if they are otherwise prohibited from owning a firearm by law, such as a person with a felony or a domestic violence conviction.

The new law brings up the question of appropriate signage a privately owned business is required to post to prohibit entry to property by unlicensed individuals carrying firearms. According to Section 30.05(c) of the Penal Code, a sign prohibiting unlicensed individuals from carrying a handgun onto a property must:

- Include language substantially similar to the following: “Pursuant to Section 30.05, Penal Code (criminal trespass), a person may not enter this property with a firearm.”
- Include the language in English and Spanish
- Appear in contrasting colors with block letters at least 1 inch in height
- Be displayed in a conspicuous manner, clearly visible to the public.

This new signage only prohibits *unlicensed* individuals from entering the property while carrying firearms.

In order to prohibit *licensed* individuals from carrying firearms onto a property, a property owner must follow the signage requirements that were already in place prior to the new unlicensed carry law. There are two separate types of allowed carry to consider.

- A sign under Section 30.06 of the Penal Code prohibits a licensed individual who is carrying a concealed handgun from entering the property.
- A sign under Section 30.07 of the Penal Code prohibits licensed individuals who are openly carrying firearms from entering the property.

Frequently, signs also contain pictures of a handgun with the prohibition symbol on it—a circle with a diagonal line through it. Note that a sign with only this image is not sufficient, as the sign must contain the specified language outlined above.

FIREARMS PROHIBITED ARMAS DE FUEGO PROHIBIDAS

PURSUANT TO SECTION 30.05,
PENAL CODE (CRIMINAL TRESPASS),
A PERSON MAY NOT ENTER THIS
PROPERTY WITH A FIREARM.



CONFORME A LA SECCIÓN
30.05 DEL CÓDIGO PENAL
(TRASPASO CRIMINAL) UNA PERSONA
NO PUEDE ENTRAR A ESTA PROPIEDAD
CON UN ARMA DE FUEGO.

What About Owners of Residential Leased Property?

The Texas Legislature passed a law in 2019 to specify in Section 92.026 of the Property Code that a residential landlord may not prohibit a tenant or a tenant’s guest from “lawfully possessing, carrying, transporting, or storing a firearm” in the tenant’s rental unit or other places on the property necessary to transport the firearm.

Unlicensed carry of a firearm is still prohibited in some locations even without a sign, such as colleges, hospitals, court buildings, and others.



MANDATORY CHANGES TO INSPECTIONS START NEXT FEBRUARY

Texas real estate inspectors must follow new standards of practice next year. The changes adopted by the Texas Real Estate Commission in August take effect February 1, 2022, giving inspectors time to learn the new standards. In the meantime, inspectors are required to follow the existing standards.

According to Chair of TREC’s Inspector Committee Lee Warren, “These changes have been in the works for over three years.” TREC commissioners unanimously approved the revisions.

TREC’s *Property Inspection Report Form* (REI 7-6) has been revised based on the updated standards of practice. The preamble to the report form also has been modified to make the information easier for inspectors’ clients to understand.

The revised *Property Inspection Report Form* is available for voluntary use now and becomes mandatory when the standards of practice go into effect in February 2022. You can find the form on TREC’s website, trec.texas.gov.

ARE YOU AT RISK OF LOSING YOUR MEMBERSHIP?

The ABCs of NAR’s Code of Ethics Requirements.

In 2019, changes were approved regarding NAR’s Code of Ethics training requirements. Here’s what you need to know:

A All members must complete at least 2.5 hours of ethics training by December 31, 2021. These hours are for maintaining membership at NAR and not necessarily part of your Texas license renewal.

B By the end of this year, if the requirement isn’t satisfied, your REALTOR® membership will be suspended. This means that you will no longer have access to association-provided membership rights, privileges, and services from your local, state, or national association until the ethics training requirement has been met. If you still haven’t completed the training by March 1, 2022, your membership will be terminated.

C Courses to choose from that satisfy the NAR requirement:

- Texas REALTORS® Code of Ethics courses (search location and timing at texasrealestate.com/ethicstraining)
- Courses approved by your local association
- NAR official Code of Ethics online training courses (nar.realtor/about-nar/governing-documents/code-of-ethics/code-of-ethics-training-selection)
- The NAR Commitment to Excellence (C2EX) endorsement (c2ex.realtor)
- Courses from The CE Shop in partnership with Texas REALTORS® (texasrealtors.theceshop.com, use discount code COE35 for 35% off registration fee)
- Kaplan ethics course (txrealtor.rs/2Y91obc).

D Double-check your status on the NAR website to ensure you are compliant at nar.realtor/my-account.

E Extra incentive for members: Complete your required NAR ethics training by December 1 to be entered into a drawing for a \$100 gift card and branded Texas REALTORS® items.



Why You Shouldn't Make Representations About Permits — and How to Protect Yourself

by Mark Turner



It's common for real estate agents to pull the permit file and include it in the disclosure packet. But this can be risky and make you vulnerable to a permit-related lawsuit. Here are the reasons why:

Permit Files May Be Incomplete or Contain Errors

A permit file doesn't show unpermitted work. It only shows what works have been permitted on the property. A real estate professional can obtain the permit file (though it's not always easy!), but there's no guarantee the file is 100% accurate. It may be incomplete or contain administrative errors. Open permits could lead to misinformed buyers regarding work that may or may not have been done and more effort required to close the permits.

The Buyer May Presume the Information is Correct and Accurate

Buyers rely on information provided by real estate professionals. You are a trained professional who deals in home sales every day, whereas buyers may only do this a handful of times in their lifetime. So, it's not surprising that buyers might presume the information being provided to them is correct and accurate.

A permit file is not a replacement for due diligence by the buyers. It's the buyers' responsibility to seek information about unpermitted works. They should be encouraged to obtain a professional building inspection and do other investigations regarding potential property issues before committing to the property purchase.

It Could Result in You Being Sued

Unpermitted work is bad news for the property buyer and can result in costly outcomes. The buyers can be penalized for the unpermitted work, even if they didn't do it themselves. Potential problems include having to do further work to obtain permits, difficulty getting financing, issues with home insurance, and having to remove extensions or sections of the home where the work was not permitted.


If buyers discover unpermitted work after closing, they may also sue the seller and/or real estate agent for non-disclosure, if they believe there was knowledge of the unpermitted work, or other legal grounds, such as negligence. One in five real estate lawsuits is permit-related.

What You Can Do To Avoid a Permit-Related Lawsuit

If you do provide any permit documents to buyers, use a written disclaimer. The disclaimer should say that you are passing along the information and you assume no responsibility for the accuracy of such information. The *Notice of Information From Other Sources* (TXR 2502) offered to members of Texas REALTORS® can assist in this situation.

You have an obligation to disclose anything that materially affects the value or desirability of a property. If you know about unpermitted work, you need to disclose it. It's that simple. If you don't, you and the seller can be sued.

MARK TURNER is vice president of sales and marketing for CRES, a Gallagher Affinity Division, which is a Texas REALTORS® E&O risk management partner.



ARE YOU
QUALIFIED IN
THAT AREA?

Texas Real Estate Commission rules state that you must know the local market where you provide services to a client. The relevant section of TREC §531.3: Competency states:

It is the obligation of a license holder to be knowledgeable and competent as a real estate brokerage practitioner. The license holder must: (1) be informed on local market issues and conditions affecting real estate in the geographic area where a license holder provides services to a client.

To stay in compliance with the rule, avoid working with clients in areas where you are not knowledgeable.

Your Forms

Your seller clients may use the *Request for Mortgage Information* (TXR 1413) when asking lienholders about loans, payments, prepayments, assumptions, insurance, and taxes. The form lets the lienholder know the owner plans to sell the property and provides notice of a possible payoff or loan assumption. The form is usually used at or near the time of listing but can be used at any time. *Request for Mortgage Information* can be used with residential, commercial, and farm & ranch properties. It is one of more than 130 forms exclusively available to Texas REALTORS®.



Legal Hotline

800-873-9155

Callers to the Texas REALTORS® Legal Hotline have asked if the recent homeowners association reform laws passed by the Texas Legislature also apply to condominium councils of owners. They do not. The recent changes—such as requiring HOAs to solicit bids for contracts for services over \$50,000, requiring HOAs to maintain websites with management certificates and meeting information, barring HOAs from requiring access to lease agreements, and others—do not apply to condominium councils of owners or condominium unit owners’ associations that are governed by Chapters 81 or 82 of the Property Code.

—Laura Miller, staff attorney



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Is Theft of Home Title a Myth?

What you should know about the risk of this type of fraud and the services that claim to provide protection from it.

by **Aimee Hess**



There seem to be more and more frequent commercials advertising services to protect homeowners from “home title fraud.” These commercials are not talking about fraudulent applications for mortgages, although that probably happens often. Instead, they are referring to someone who forges a deed to themselves and then tries to borrow money against the property or resell the property to a third party. Despite the frantic tone of the commercials, one has to wonder just how common home title theft is.

How Common Is It?

The FBI reported that in 2020, 13,638 people in the U.S. lost a total of more than \$213 million through wire fraud involving real estate, up from \$56 million in 2017. However, that is an extremely broad category, and the FBI has not delineated how much of this is home title fraud. In my experience, it is not very common in Texas.

What if It Happens?

There are a number of things to know about home title fraud. First, in Texas, keep in mind that this kind of fraud is enabled if an unsuspecting buyer purchases property from someone without going through a title company. The title company closing process includes protections designed to prevent home title fraud.

Second, be aware that a forged deed is absolutely void and conveys nothing. However, if the forged deed has been filed in the deed records, it can create a cloud on the title to the home. There are several things a homeowner can do in this event. For starters, the owner should contact a real estate lawyer about preparing an affidavit of forgery and filing it in the deed records to counteract the forged deed. If a legitimate future lender or future purchaser finds that unacceptable, it is possible the homeowner may need to file suit against the forger to have the forged deed declared invalid. That judgment will be filed in the deed records. It doesn't matter if the forger can't be found—in most cases they are long gone—because the forger can be served by publication, and the homeowner's attorney can file a motion for summary judgment to obtain a declaratory judgment against the forger. Because there's no defendant fighting the case, the attorney's fees for such a proceeding are usually quite modest. Note: None of the “protection services” I researched cover attorney's fees.

How Can Homeowners Prevent Theft of Home Title?

As far as preventing a forged deed before it happens, the advertisements for these title protection services make claims that are unsubstantiated and, in many cases, false. For example, some advertisements claim that the monitoring service puts a “shield” around your home title. This is not a true statement. All that the protection service does is check the deed records periodically to see if any instruments have been filed with your name on it and then let you know if that happens. However, what they don't tell you is that many counties in Texas will let you sign up for a fraud alert. In other words, if something is filed in the deed records with your name on it, the county clerk will send you an email alerting you. In most cases, the service is free. Some counties charge a nominal fee.

As part of their sales pitch, these protection services claim that the true owner will be liable for the mortgage payments on a fraudulently obtained loan. Not true. You are not liable for a mortgage fraudulently obtained in your name.

“Some advertisements claim that the monitoring service puts a “shield” around your home title. This is not a true statement.

Additional preventive measures that homeowners can take that cost nothing are:

- Lock your credit account at each of the three major credit reporting agencies.
- Periodically check the deed records in the county where your home is located using an online deed records search service. The search is free, though there is a small charge if you order copies of anything you find.
- Be sure you receive the notice of appraised value for your property from the county appraisal office each May and your tax invoice for property taxes from the county tax assessor each November. If you don't, call them and find out why.
- If you fail to receive any of your utility bills, contact the utility provider promptly.
- If you get some kind of payment book or correspondence from a mortgage company that you don't recognize, contact that company and find out what's going on.
- Get a copy of your credit report periodically and make sure everything on it is accurate.
- For vacation or rental property, make sure you're still getting utility and tax bills and rent payments. If the property is vacant, check on it in person periodically to make sure unauthorized persons aren't living there.
- When you purchase property, always go through a licensed title company to make sure the title to the property you are purchasing hasn't been subjected to a previous fraudulent transfer.

While it's hard to tell just how frequently title fraud occurs, it is not an occasion for the hysteria that is generated by the advertisements of protection services. By taking the steps outlined above, property owners can eliminate most, if not all, concerns themselves. ★

AIMEE HESS is a Texas attorney who concentrates her practice in the areas of oil and gas, real estate, and water law. She frequently writes on these topics at texasoilandgasattorneyblog.com.



Leading by Listening

2022 NAR President
Leslie Rouda Smith
looks ahead

by Joe Olivieri

»» *The key to leadership is listening to those with whom you serve. I think it's important to have an open mind and to listen and to be thoughtful.* ««

2022 will be a big year for Leslie Rouda Smith.

She will be the first NAR president from Texas since Charles McMillan in 2009. She and her vice presidents will lead the first majority-female Leadership Team in NAR history. She's also the second NAR president in her family—following her father, 1991 President Harley E. Rouda Sr.—and the third second-generation president in NAR history.

It will be a year filled with gigantic projects, weeks of travel, countless meetings, and maybe even some dancing. She has the impossible task of representing more than 1.5 million REALTORS® and their diverse interests. Even filling committee appointments is massive: sifting through thousands of applications to find roughly 2,000 members for 90-plus committees. She has a feeling Texas will be well represented.

The 2016 Texas REALTORS® chairman will draw on her enthusiasm and inexhaustible energy. She brings a lifetime of real estate knowledge to the NAR presidency. She expects 2022 to fly by, just like each year in national leadership did before this as well as her years on the Texas REALTORS® Leadership Team prior to that. But viewed collectively, it will be enough time for her to work with other REALTOR® leaders to make a meaningful, long-lasting difference at the national level.

“Most everyone in America either owns a home, wants to own a home, or is impacted by the cost of owning a home. And since real estate makes up almost 20% of our GDP, it's hard to comprehend how much our industry reverberates all over America. We have a big responsibility to put our members and our industry in a position to succeed. It's humbling knowing what we do every day impacts the well-being of so many people with no connection to real estate at all,” Rouda Smith says.

The proud Texan discussed the issues she will be watching and how you can help your industry.

Challenges and Opportunities in 2022

Antitrust settlement: In 2020, NAR and the U.S. Department of Justice reached an antitrust settlement agreement regarding broker commissions and MLS rules. In July 2021, the DOJ decided to withdraw consent to the settlement. NAR has filed a petition to stop the withdrawal. “This is something that would

weigh heavily on REALTORS® if we don't defend ourselves,” Rouda Smith says. Visit nar.realtor and search “doj agreement” to learn more.

Evictions: NAR believes swift distribution of rental assistance is the best way to cover back and future rent payments and help America's tenants and housing providers, according to Rouda Smith.

Housing affordability and the lack of inventory nationwide: Calling the situation “a blessing and a curse” for practitioners, Rouda Smith told the Texas REALTORS® Board of Directors in September about the critical need for housing and the call to build more. She also discussed incentives to transform unused commercial space into housing.

Diversity, equity, and inclusion: “I think we've come a long way, but we have a long way to go. The best way to see how far we have to go is by looking at America's racial homeownership gap now. Looking at the last 15 years nationwide, Black homeownership rates have declined to the same level they were back in the 1960s. Clearly, we have work to do.” Rouda Smith supports alternate credit scoring models and other tools to help more people achieve homeownership.

Sustainability: “We need to find a way for the industry to advocate for national infrastructure policy that prioritizes viability, adaptability, resiliency, and resource efficiency,” she says. REALTORS® can learn more about NAR's sustainability and resilience plans at nar.realtor/sustainability.

Other issues: Rouda Smith will work on preserving like-kind exchanges, opportunity zones, and the step-up basis in tax law. NAR continues to support real estate-friendly tax and regulatory environments.

A New Challenge

Rouda Smith will approach this role the way she has every other role in 35 years of volunteering.

“The key to leadership is listening to those with whom you serve,” Rouda Smith says. “I think it's important to have an open mind and to listen and to be thoughtful. And just know that other people may not agree with you. And you may not agree with them. That is OK—it's how you handle it. More people need to be that way.”

She enjoys watching people—perhaps



HARLEY E. ROUDA SR.

Leslie Rouda Smith grew up in Central Ohio, where her father, Harley E. Rouda Sr., founded HER, REALTORS®, a major independent brokerage.

A jack-of-all-trades, Rouda Sr.'s ventures included building, development, residential and commercial sales, mortgage and title companies, and home warranties. He even worked on his own blueprints despite a lack of formal training. Rouda Sr. exposed Rouda Smith to many aspects of real estate well before she was old enough to get her real estate license.

Rouda Sr. worked his way up through the Ohio Association of REALTORS® and became NAR president in 1991.

“If you talk with anybody who's been around our business at the national level, they'll tell you that my dad was the world's greatest joke teller. He had that Rolodex of jokes in his head. It was phenomenal. He acted them out, whatever it took. He charmed people with his jokes. I am often asked if I have that same genetic makeup and I don't. I'm a better storyteller. Jokes are not my thing. But I love a good joke.”

Rouda Sr. passed away in 2012. “My dad was always very forward thinking, so he'd expect me to be as well. Always looking at the big picture. He would always say to be kind. He was always very thoughtful.”



Clockwise from left: Leslie Rouda Smith appears in an advertisement for her father's brokerage, HER, REALTORS®; poses with her family during a trip to the beach; and takes part in the NAR Leadership Summit with 2021 President Charlie Oppler and CEO Bob Goldberg.



Photo courtesy of Oscar and Associates

more closely than people realize—to find admirable traits she could adopt or things to avoid. “You pay attention to what goes on around you and those who blaze the trail ahead of you to learn how to be the best leader you can be,” she adds.

Rouda Smith is grateful to the NAR staff, many of whom have been in their positions for years, if not decades. She relies on their years of experience as she makes decisions. She sees her role as air traffic controller. “You delegate because you can’t possibly do it all.”

“Leadership Team members do the best we can to solve problems and look at the practitioner’s perspective, because that is who we serve. We think about these things broadly and universally so that we can make the best decision that will benefit the most members.”

Meet Leslie Rouda Smith

Leslie Rouda Smith is a broker associate with Dave Perry-Miller Real Estate. She manages a seven-person team that includes her husband, Brian, and children, Kristin and Austin—who are third-generation REALTORS®.

“I love residential and farm & ranch properties. I love looking at houses and décor and floor plans and all that stuff, having grown up with it. Of course, I love the outdoors, so ranch and country properties are near and dear to my husband’s and my heart.”

She met her husband at an Ebby

Halliday real estate training class in 1984. “Ebby used to joke that we were her top producers of all time—just a different type of production because we have two kids.”

Real estate is a constant in her and her family’s life. “You can imagine that that’s about all we talk about, it seems like,” she jokes. If they see an interesting property while on vacation, the whole family goes into practitioner mode, guessing how much that property may sell for in that market or imagining what it would be like to own it.

Family is Rouda Smith’s main motivation. “I love my family. We all love to do stuff together and we all like to work and be successful.”

The family spends a lot of time in their backyard stargazing and watching their four dogs play. “My batteries never run out. I’m always doing 10 things at once. I don’t sit still. I enjoy four-wheeling and jet-skiing. Jet-skiing is probably my favorite thing to do because I love the water and I love to work out.”

Rouda Smith enjoys dancing and once organized a flash mob performance to “Uptown Funk” during her time in Texas REALTORS® leadership.

She counts her energy and enthusiasm among her strengths. She has a good spirit about her, she would say. “I always say I am under construction every day, because I feel like we all can always be better.” ★

JOE OLIVIERI is assistant editor for Texas REALTOR®.

HOW YOU CAN HELP

Get involved. “I think an important message to REALTORS® who feel passionately about helping the industry is to get involved with the association. Find your passion.” Rouda Smith urged REALTORS® to sign up for committees at the local, state, and national level. “The application process for 2023 will open early next year. Hopefully everyone will pay attention to nar.realtor/committees and consider serving.” Members should also get involved to learn all the things associations do for them and what goes on behind the scenes.

Learn about the larger issues affecting your industry.

Rouda Smith’s father, Harley E. Rouda Sr., coined the phrase, *If real estate is your profession, then politics is your business.* Rouda Smith has wondered if REALTORS® knew about past and present ballot questions on homeownership issues such as homestead exemptions and property tax reform. “If sellers say they are interviewing other REALTORS® for the listing, suggest to them that they ask those REALTORS® what they think of real estate ballot questions in the next election. The odds are close to zero that those REALTORS® would know what the questions are because they’re not involved and not paying attention.”

Educate clients. “I once asked an audience, ‘How many of you use what you learn in these meetings for the benefit of your buyers and sellers?’ Not one hand went up. I’m just as guilty as they are. Use your knowledge and what you gain at these meetings to your benefit.”

Network. It isn’t just good business; it helps you become a better REALTOR®, she says.



HOUSING DISCRIMINATION? NOT IN OUR HOUSE.



If recent events have taught us anything, it's this: we have more work to do. Racism is real, tragically so. Discrimination, in all its forms, still casts a long shadow in this country, and too many are being denied the opportunities that all Americans deserve. Our commitment to the diverse communities we serve starts with a Code of Ethics. Our code sets a higher standard for fairness in housing than any federal law, it's backed by a culture of member accountability, and it extends to our work on Capitol Hill, where we continue to advocate for meaningful change.

At Texas REALTORS® we believe that fairness is worth fighting for, and we won't stop until the fight is won. Because that's who we are.

If you experience or witness discrimination in real estate, we urge you to report it.

Visit hud.gov/fairhousing to file a complaint with the Department of Housing and Urban Development.



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NOTHING YOU CAN'T MANAGE

Details about repairs, locks, smokers, haunted houses, and other issues when dealing with tenants and landlords.



Texas REALTORS® provides FAQs and resources to help you in your property management business. Read on for answers to common questions and information on where to find tools you can use.

Can a residential tenant terminate an executed lease due to COVID-19?

No. The Texas REALTORS® *Residential Lease* (TXR 2001) provides that unless otherwise provided by law, the tenant is not entitled to early termination due to voluntary or involuntary job or school transfer, changes in marital status, loss of employment, loss of co-tenants, changes in health, purchase of property, or death. No laws are currently in place that allow a tenant to terminate early due to COVID-19-related reasons.

The landlord for the property I manage wants all potential tenants to submit a photo ID with their lease application. Can I require that?

Yes, but you should only use applicants' photo IDs to verify their identities and/or to check on criminal history, rental history, or credit history. You must be uniform and consistent with your photo ID policy, requiring it from all applicants. Never use the photo ID to discriminate against an applicant.

I manage rental properties for a client who doesn't want people smoking on his property. If we deny potential tenants' applications because they smoke, will this violate any federal fair-housing laws?

No. Federal fair-housing laws make it illegal for the landlord to choose tenants based on their race, color, sex, national origin, religion, handicap, and familial status. However, people who smoke are not a protected class. A landlord can refuse to lease to potential tenants who smoke as long as the landlord consistently enforces such prohibition.

Can a non-U.S. citizen own rental property in Texas?

Yes. There is no requirement that a person be a U.S. citizen to own rental property in Texas.

Can I serve as a property manager for rental property owned by a non-U.S. citizen?

Yes. A Texas license holder can manage properties in Texas whether the owner is a U.S. citizen or not. Property managers, however, should be aware of IRS requirements concerning the rental income of foreign persons. Unless a foreign person has identified the rental income on IRS Form W-8ECI (which requires a valid U.S. tax identification number for the foreign landlord) and provided a copy of the form to the property manager, the property manager should withhold 30% of collected rental payments. Withholdings, if any, must then be timely remitted to the IRS. A property manager who fails to do this may face personal liability for the tax amounts that should have been paid, plus interest, penalties, and criminal sanctions. Property managers also have an obligation each year to report annual rents collected on behalf of foreign persons on IRS Forms 1042 and 1042-S.

A prospective tenant for a property I manage uses a wheelchair. He wants to build a ramp to the front door, widen two bathroom doors, and install grab bars in the bathroom. If he becomes a tenant, what modifications does the owner have to allow?

The landlord must permit reasonable modifications necessary to afford a tenant who is disabled full enjoyment of the property, such as the modifications described.

To protect both parties, the lease should address who will arrange for the modifications, who will make decisions regarding workers and materials, and who will pay for the modifications. For example, the lease may provide that the tenant will pay the cost either directly to any contractor or by reimbursement to the landlord, or the lease may provide that the landlord will make the modifications in exchange for a concession, such as an increase in the rent based on the cost of the modifications.

The lease should also cover whether the property will be restored when the tenant moves out and, if it will, who will pay for the cost of such restoration.

A tenant called me complaining that his roof was leaking. The owner gave the go-ahead for me to hire someone to fix the roof. The contractor fixed the roof and gave me a bill with a

discount if the bill is paid within two weeks. If I pay the bill within two weeks, but the owner can't pay me until after two weeks, can I get the discount for paying early but then charge the owner the regular price, keeping the difference for myself?

You may do this only with the informed consent of your client. TREL A Section 1101.652(b)(13) provides that a license holder's license may be suspended or revoked if the license holder accepts, receives, or charges an undisclosed commission, rebate, or direct profit on expenditures made for a principal. Also, Article 6 of the Code of Ethics prohibits REALTORS® from accepting any commission, rebate, or profit on expenditures made for their principal without the principal's knowledge and consent.

A tenant says that the house is haunted. She wants to vacate. What is the best way to address the issue?

Inform her that she may be in breach of the lease if she vacates. Tell her that the landlord may exercise the default remedies under the lease. (The landlord must employ reasonable measures to mitigate any loss.) You might try to determine why she believes the house is haunted and see if there is a reasonable explanation for any mysterious circumstances. Also, ask her to provide written explanations and requests for your records.

I received a rental application for a property I manage and presented it to the owner. He wants to wait before deciding on this applicant to see if a better match to the tenant-selection criteria comes along. How long does he have to make a decision on this prospective tenant's application?

In this situation, the landlord has seven days to make a decision on a rental application; otherwise, the applicant is deemed rejected and any application deposit should be refunded, although the application fee is generally nonrefundable.

According to the Texas Property Code, if the landlord provided an application form, the seven-day period begins on the date the applicant submits the completed form. If the landlord did not provide an application form, the seven-day period begins on the date the property owner accepts an application deposit from the applicant.

Remember, when an applicant is provided with a rental application, the landlord is required to make printed notice of the landlord's tenant-selection criteria available to the applicant. If the applicant was rejected and the landlord failed to make the criteria available, the application fee and any application deposit must be returned.

Texas REALTORS® has a model tenant-selection criteria form for members' use.

The tenant for a property I manage asked the landlord to replace carpet in a room because she says it looks worn and needs repair. Does the landlord have to replace it?

No. Neither the Texas Property Code nor the Texas REALTORS® *Residential Lease* (TXR 2001) would require a landlord to replace or repair something like this.

While Paragraph 18D(1) of the Texas REALTORS® *Residential Lease* states that the "landlord will pay to repair or remedy conditions in the property in need of repair if the tenant complies with the procedures for requesting repairs," this does not mean that the landlord has the obligation to make every requested repair. Paragraph 18D(2) of the lease states that a landlord will not pay to repair "items that are cosmetic in nature with no impact on the functionality or use of the item." A landlord could argue that worn carpet falls under this category. Additionally, Paragraph 18C(1) states that all decisions regarding repair are at the landlord's sole discretion.

A tenant notified me yesterday that his water heater stopped working. A technician came today, but the water heater requires a part that won't arrive until tomorrow. The tenant is upset and wants the landlord to pay for a hotel room for tonight. Is the landlord obligated to do this?

No. Nothing in the Texas Property Code or Texas REALTORS® *Residential Lease* (TXR 2001) requires the landlord to put the tenant in a hotel while repairs are being made. A landlord isn't obligated to provide alternative housing for a tenant based on a needed repair, even if that repair relates to a condition that could be construed as materially affecting the physical health and safety of the ordinary tenant.

If the landlord fails to make a diligent effort to remedy a condition that materially affects the physical health and safety of an ordinary tenant, the tenant's remedies are found in Section 92.056 of the Texas Property Code.

What if some but not all of the tenants renting a particular property move out? Am I still required to rekey?

No. *Tenant turnover date* is defined as the date a tenant moves into a dwelling under a lease after all previous occupants have moved out. In this scenario, not all previous occupants have moved out of the property. ❖

PROPERTY MANAGERS: JUST FOR YOU

As a member of Texas REALTORS®, you have a host of property management resources available to you:

FORMS

Texas REALTORS® has created a listing agreement, representation agreements, leases and addenda, and dozens of property management agreements for use exclusively by members and their clients. Visit texasrealestate.com/realtorforms.

MODEL POLICIES AND RESOURCE GUIDE

Download a model tenant-selection criteria form—free for members—or purchase the extensive *Texas REALTORS® Residential Property Management Resource* with eight chapters of some of the most important aspects of leasing and property management. You can also find the Texas REALTORS® *Model COVID-19 Certification for Rental Property Access* at texasrealestate.com/coronavirus.

FAQS

Find answers to landlord-tenant issues like the ones in this article at texasrealestate.com/faq. Additional FAQs related to COVID-19 are available at texasrealestate.com/coronavirus.

TEXAS REALTORS® LEGAL HOTLINE

Call 800-873-9155 to talk with a Texas REALTORS® attorney about property-management and landlord-tenant issues.

MORE RESOURCES

Sign up for a property-management newsletter, view property management webinars, and find other resources at texasrealestate.com/propertymanagement.



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THE MONEY YOU DIDN'T KNOW YOU ARE SAVING

You know that your REALTOR® is your go-to professional who has your best interests at heart when you buy, sell, or lease real estate. But you may not realize all the things REALTORS® do behind the scenes that benefit you financially as well.

State and local officials frequently try to raise revenue by increasing existing real estate taxes and creating new ones. Thankfully, REALTORS® have been the driving force to defeat dozens of these proposals. Just how much money have these efforts saved you?



TAXES ON PROPERTY TRANSFER

People in 37 states currently pay transfer taxes every time real estate changes hands. Not in Texas. REALTORS® have helped defeat several of these measures over the years. In some states, transfer taxes run as high as 3% of the property's purchase price. Even a 1% transfer tax on the median-priced Texas home would total \$3,000—money that can't be used for a down payment or on home furnishings or other expenses. For some Texans, that puts buying a home out of reach altogether.



FEES ON PROPERTY TRANSFER

REALTORS® were also behind the effort to ban most private transfer fees in Texas. This practice allowed the owner of a property to collect a fee from *all* future buyers, even after that person no longer owned the property. A private transfer fee could add another \$3,000 or more to a property transaction.



SALES TAXES ON FEES AND COMMISSIONS

If some elected officials had their way, you also would pay sales tax on real estate agent commissions and fees. That equates to hundreds or thousands of additional taxes—taxes that, due to the efforts of REALTORS®, don't exist in the Lone Star State.



EVEN HIGHER PROPERTY TAXES

It may be hard to believe, but your property tax bill could be much higher. For decades, REALTORS® have strung together legislative victories in the fight against rising property taxes. These efforts include tax-rate reductions, expansion of money-saving exemptions, and rules that prevent taxing authorities from raising rates without approval from taxpayers. In fact, these measures are a big reason why property taxes in Texas—while high—are still lower than some states that also have a state income tax.



Rest assured that REALTORS® will continue to work on keeping real estate taxes as fair, transparent, and as low as possible. To learn more about property taxes, visit knowyourtaxes.org.

TAKE 5

WHAT ARE YOU WAITING FOR?

While it is normal to want to delay an important task, procrastination can affect the success of your real estate business. For example, waiting until the last minute to put together presentations could not only bring on unnecessary stress but also result in not winning as many listings. Or putting off CE classes might lead to a suspended license. Here are some tips to make it easier to tackle the tasks you need to get done:

ADDRESS THE REASON

Sometimes procrastination is just a lack of time management, but it can also be a coping mechanism. Letting go of the fear of failure or gaining more clarity on a project can help reduce the hesitance to get started.

AVOID “PRODUCTIVE” PROCRASTINATION

Focusing on completing routine tasks seems constructive, but it may be a sneaky way to avoid something more important. Try starting with the hardest or biggest project first so you won't get in the habit of pushing it further throughout the day.

ELIMINATE THE TIME SUCKERS

Having a lot to do can be overwhelming—it may be tempting to look for a diversion. Remove the opportunities to waste time by turning off social media apps, the television, and other distracters. Also, find a place to work where you won't be interrupted.

SET YOURSELF UP FOR SUCCESS

Besides making a daily schedule to organize your day, break your projects into less daunting, manageable steps to make your goals achievable. And don't forget to reward yourself when you finish a challenging task.

INCREASE YOUR ACCOUNTABILITY


Remind yourself what's at stake if you don't follow through on time. Are you OK with the consequences? Consider using timers or digital scheduling tools to keep yourself on track.





Find your escape

As a local cooperative, we share our profits with the Texans we serve. Since 2006, we've returned almost \$2 billion in combined cash and allocated equities to our members through our cooperative returns program. So, when you're ready to secure a loan for that perfect retreat, try a partnership that really pays. **Together we're better.**

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