



WORLDWIDE ERC®

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MINUTES

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1. Welcome and Roll Call

Forum Chair Jay Hershman welcomed everyone to the meeting which was followed by Forum members introducing themselves.

Forum Members in Attendance

Jay Hershman,
Chair
Patrick McManamy,
Vice Chair
Craig Anderson
Eric Arnold
Michael Bailey
Jaime Barajas
Douglas Barnett
Vanessa Beneze
John Brennan
Nikki Brossman
Kevin Butler
Sue Carey
Renita Charrlin
Max Cohen
Dale Collins
Russ
Cunningham
Julie Cwik
Walter
Dannemiller
Rian de Jong

Ceyla Esendemir
Pam Fedigan
Sharon Gorrell
Katie Grammes
Charles Griffin
Mark Gronke
Jazmin Guerrero
Joseph Gurth
John Habanek
Linda Hargreaves
Lynda
Hernandez-Spille
Gustavo Higuera
Debbie Holiday
Stacy Hough
Rob Hughes
Stephen Jones
Jacky Kepper
Catherine Killeen
Mike Kluge
Gary Kravetz
Jeff Margolis
Rick Miller
Michelle Moore
Kay Munger

Nino Nelissen
Robert Nish
Theresa Pope
Lawrence Porter
Alyce Ritchie
Hank Roth
John Ryan
Cindy Salter
Melissa Seitz
Medford
Loraine Slama
Mitzi Smith
Brianna
Stubenrauch
Jill Wier-McLean
Debbie Westphal
Mark Woelfel

Worldwide ERC® Staff

Tristan North
Pete Scott
Peggy Smith
Aidan Camas
Chris Wilson

2. Worldwide ERC® Anti-Trust Statement

Aidan Camas read the anti-trust statement aloud for Forum members.

3. Review and Approval of Past Meeting Minutes

Jay asked for a motion to approve the minutes from the May 2019 meeting in Atlanta, GA. A motion was made, seconded and approved.

4. Follow-up Issues from Atlanta Meeting

a. Relocation Director Update

Sue Carey provided a Relocation Director Update.

b. Maryland and Delaware Withholding

Katie Grammes provided an update on Maryland and Delaware withholdings. Delaware's definition of "non-resident" expanded this year. Non-Resident Individual sellers must pay 7.5% of proceeds to the State of Maryland to record their deed. This rate will increase to 8% in 2020. Maryland also recently amended its definition of resident. Katie and John Brennan have been working with the Maryland Comptroller's Office to get a special exemption for relocation transactions approved. To see a copy of the proposed form, email Katie Grammes at: kgrammes@brennantitle.com. Maryland has also made changes to the statute of limitations on state tax liens.

c. Connecticut Crumbling Foundations

Jay Hershman provided an update on Connecticut crumbling foundations which continue to be a problem in the state. The man who currently is the administrator of the program put in place to help people in this situation is leaving which may lead to a delay in how quickly questions get answered.

d. California Solar Panel Mandate

Linda Hargreaves provided an update on California's solar panel mandate. Starting January 1, 2020, all new single-family homes built in California will need to be built with solar panels. Approximately 80,000 new home permits are issued a year in California. Builders in the state are still figuring out how to deal with this. Relocation will not likely feel the impact of this change for a few years as the homes have not yet been built. It is important to know what type of solar panel lease you are dealing with.

5. CFPB Update

Alyce Ritchie gave an update on the CFPB. The constitutionality of the Bureau is still being disputed. If the setup of the Bureau is ruled unconstitutional, it is unclear as to whether enforcement actions will continue to go forward.

The CFPB and DOJ have changed positions and agreed that it is unconstitutional, so the House of Representatives is stepping in to defend the Bureau's constitutionality. It is unclear if the Supreme Court will take up this issue or parts of this issue.

The CFPB has created a partnership with the American Consumer Financial Innovation Network (ACFIN) that all state regulators have been invited to participate in. The hope is to create some consistency among states who have stepped up their own enforcement actions.

New TRID FAQs were recently released concerning loan estimates and construction/ construction-permanent loans.

6. State/Regional Issues

a. Connecticut P.A. 19-88

This new law aims to make it clear that an attorney must be involved in all real estate transactions. There has been a push for an attorney in the room requirement, but this is not realistic, especially for relocation. The penalties for non-compliance are extreme, a Class D felony or a Class C misdemeanor if you are an out of state attorney. It is unclear how/if these penalties would be enforced. The Connecticut Bar Association Real Property Section is meeting on this and working to put something out on the topic. While this could be considered an unfunded mandate, in Connecticut, attorneys would already be involved in the transaction so it would not be a huge change.

b. New York Tax Law Section 1409 TP-584

New law requiring additional information when the grantor or grantee of a 1 – 4 family residence is an LLC. Requires personal information of all shareholders, directors, officers, members, managers, partners, and authorized persons of the LLC. This applies to all transactions, not just cash transactions. Likely to see more laws like this as scrutiny increases because of FinCEN.

7. Mortgage Rate Projections & Market Conditions

Debbie Holiday gave an update on Mortgage Rate Projections & Market Conditions. Currently market rates are good and there is a refinance boom going on. Expect rates to remain stable through 2019. Affordability remains high. First time buyers are facing challenges as there is a low supply of entry level homes. Only 2% of new builds are entry level homes. The rate of foreclosures is at a 20-year low.

8. Cybersecurity /Wire Fraud

The cities of Atlanta and Baltimore have both experienced ransomware attacks in recent months. Continued education of employees to be vigilant and disclosing risks to clients is key. FinCEN has reported that an estimated \$300million/month in losses due to business email compromise schemes.

9. Technology Work Group

Patrick McManamy and Alyce Ritchie gave an update on the Real Estate and Mortgage Forum's technology work group. The use of e-recording continues to expand throughout the country. Kentucky and Vermont are now the only two states who do not e-record. The use of e-closings continues to grow as well.

10. Issue Matrix Review

No changes to the matrix at this time.

11. Update on Worldwide ERC® Advocacy and Inaugural Hill Day

Peggy Smith and Tristan North updated the Forum on Worldwide ERC®'s advocacy efforts. Worldwide ERC® is working to better promote the advocacy work the organization does and the Government Affairs page on the website has been made more prominent (<https://www.worldwideerc.org/government-affairs/>). Worldwide ERC® is now releasing quarterly Legislative Agendas ([See 2019 Q3 Agenda](#)) to keep membership better informed. Forum attendees are encouraged to share this work on their social media channels.

As part of this effort, Worldwide ERC® will be hosting bi-annual Hill Days where members will come to Washington, DC, to advocate on behalf of the industry. Worldwide ERC® held its inaugural Hill Day on October 2, and it went well. 15 attendees met with almost 30 Congressional offices to discuss:

Real Estate and Mortgage Forum Meeting
Boston, MA
October 15, 2019
1:30 pm EDT

- [Simplifying State Income Tax for Traveling Workers](#)
- [Protecting Personally Identifiable Information of Transferees](#)
- Fairness for High-Skilled Immigration Act (H.R. 1044, S. 386)
- Reforming Fannie Mae and Freddie Mac

[Read the full recap here.](#) The next Hill day will be in April/May of 2020. Worldwide ERC® looks forward to growing this program going forward.

12. Additional Items

Synthetic Stucco – Worldwide ERC® has been asked to modify some of our language in the Broker's Market Analysis and Strategy Report (BMA) regarding synthetic stucco. If changes are made, we will likely have to update the whole document which is now 10 years old. Updating the BMA will likely be a project to occur in 2020.

13. Adjournment

Adjourned at 3:12pm EDT.