

T SOUTHERN MARYLAND ASSOCIATION OF REALTORS® TIMES S

The voice for real estate in Southern Maryland®

Volume 9 Issue 1 Winter 2012



Welcome to SMAR's Electronic Newsletter

INSIDE YOU WILL FIND:

Active links to email and the internet

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**Click on this icon on any
page to return here**

Save the Date - REALTOR® Fair & Trade Show
May 2, 2012 at the Southern Maryland Higher Education Center

SRES  **Senior Real Estate Specialist
Course at SMAR!**
GET READY FOR THE BOOMERS!
March 28 & 29, 2012- [Click here for more information!](#)



**CLICK HERE TO DOWNLOAD
THE 2011 SMAR AWARDS
OF EXCELLENCE PACKAGE.**

Application Deadline
Friday, January 27th by 5 pm.



**SMAR AWARDS
LUNCHEON**

February 23, 2012

RSVP by February 15th

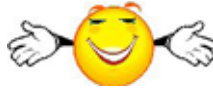
Cost: \$35 per person
[Click here to register online](#)

GUEST SPEAKER
Andrew Wooten

LOCATION
Mechanicsville Fire Hall
28165 Hills Club Road
Mechanicsville, MD 20659

MEMBERSHIP INFORMATION

WELCOME NEW MEMBERS!



REALTOR® MEMBERS

CENTURY 21 NEW MILLENNIUM

Jennifer M. Olexa, California
Viktoria E. Ringhausen, Dunkirk
Terriceta R. Henderson, La Plata
Rachelle A. Mann, La Plata
Priscilla Rodway-King, California

DeHANAS REAL ESTATE SERVICES

Staci L. Mildenstein, Waldorf
Marcia A. Stonestreet, Waldorf

ELITE REAL ESTATE

Michael R. Hawkins, Lanham

HOME TOWNE REAL ESTATE

Sherry A. Breton, Solomons
Patrick J. Elder, Lexington Park
Andrew (Andy) Wallace, Owings

LONG & FOSTER REAL ESTATE, INC.

Constance (Connie) H. Hirschman,
Prince Frederick
Lisa M. Borandi, Waldorf
Linda F. Brower, Waldorf
Derrick C. Funderburk, Waldorf
Marie Jozwik, Waldorf
Robin W. McClanahan, Waldorf

O'BRIEN REALTY

Kurt J. Dronenburg, California

RESIDENTIAL PLUS REAL ESTATE

Darius D. Key, White Plains
Barbara E. Moffatt, White Plains

THE McNELIS GROUP

Stacey S. Sellers, Solomons

REAL ESTATE FIRM

RE/MAX ONE

Mark J. Davis, Broker
132 Main Street
Prince Frederick, MD 20678
410-535-6291 (office)
410-535-3403 (fax)

PRINCIPAL BROKER CHANGE

CENTURY 21 NEW MILLENNIUM

From: Mary Lynn Stone
To: Herbert F. Lisjak
23063 Three Notch Road
California, MD 20619
301-862-2169 (office)
301-862-2179 (fax)
herb.lisjak@c21nm.com

REALTOR® OFFICE NAME CHANGE

From: PenFed Realty
To: Prudential PenFed Realty
3720 Leonardtown Rd, Ste 110
Waldorf, MD 20601
301-870-7653 (office)
301-638-7101 (fax)
realteamagents@gmail.com

AFFILIATE MEMBERSHIP

CHADWICK COMPANIES

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240-776-4110 (fax)
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301-870-8481 (fax)
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FOOTE TITLE GROUP

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AFFILIATE FIRM CHANGE NAME/PRINCIPAL AFFILIATE

From: Chapman, Bowling & Scott
To: Scott Law Group, LLC
Stephen H. Scott, Principal Affiliate
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La Plata, MD 20646-1990
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301-870-6471 (fax)
etaylor@scottlawllc.com



DESSIE HERBERT
Senior Mortgage Consultant



 **FitzGerald Financial Group**
A Division of Monarch Bank

2670 Crain Highway, Suite 510
Waldorf, MD 20601

(240) 320-8032 - Direct
(301) 938-7763 - Cell
(866) 361-5604 - eFax

dherbert@monarchmtg.com
NMLS# 483837

 EQUAL HOUSING LENDER

The Mission of the Southern Maryland Association of REALTORS® is to maintain a financially viable association offering support, services and training for its members; to provide community outreach; to foster a proactive relationship with local and state legislative leaders and to be the leading advocate of the real estate industry, private property rights and the issues that most affect the members' ability to serve the public with competency, integrity and professionalism.

UPCOMING EVENTS

JANUARY 2012

Mon 16

*Martin Luther King, Jr's Birthday -
SMAR Offices Closed*

Wed 18

Awards & Special Events Cmte, 10 am

Thurs 19

Board of Directors Meeting, 9:30 am

Mon 23

Legislative Cmte, 9 am

Thurs 26

Commercial/Industrial Cmte, 8:30 am
Forms Cmte, 9:30 am
Professional Standards Training, 1 pm

FEBRUARY 2012

Wed 1

Public Awareness Cmte, 9:30 am

Mon 6

Legislative Cmte, 9 am
Community Relations Cmte, 10 am
Legislative Luncheon, 11:30 am

Fri 10

New Member Orientation, 9 am

Mon 13

Legislative Cmte, 9 am
Instructor Roundtable, 9:30 am

Wed 15

Awards & Special Events Cmte, 10 am

Fri 16

Board of Directors Meeting, 9:30 am

Mon 20

Legislative Cmte, 9 am
President's Day - SMAR Offices Closed

Thurs 23

Commercial/Industrial Cmte, 8:30 am
Forms Cmte, 9:30 am
*Awards Luncheon, 11 am, Mechanics-
ville Fire Hall*

Mon 27

Legislative Cmte, 9 am

MARCH 2012

Mon 5

Legislative Cmte, 9 am
Community Relations Cmte, 10 am

Wed 7

Public Awareness Cmte, 9:30 am

Thurs 8

Education Cmte, 9:30 am

Mon 12

Legislative Cmte, 9 am

Thurs 15

Board of Directors Meeting, 9:30 am

Wed 21

Awards & Special Events Cmte, 10 am

Thurs 22

Commercial/Industrial Cmte, 8:30 am
Forms Cmte, 9:30 am

SMAR's Newest ABR® Designees!



The ABR® (Accredited Buyer Representative) designation is awarded by the Real Estate BUYER'S AGENT Council (REBAC). **Congratulations to:**

Elizabeth R Benitez

DeHanas Real Estate Services

Ella Blaine

RE/MAX 100

Lisa Van Tassel

Home Towne Real Estate

They join more than 50,000 REALTORS® in North America who have earned the ABR® Designation. All were required to successfully complete a comprehensive course in buyer representation and an elective course focusing on a buyer representation specialty, in addition to submitting documentation verifying professional experience.

REBAC, founded in 1988, is the world's largest association of real estate professionals focusing specifically on representing the real estate buyer.



CONTINUING EDUCATION CALENDAR

Course Location: REALTOR Center, 8440 Old Leonardtown Rd, Hughesville, MD 20637

Contact Hannah Sanders at 301-274-4406 or via email at hannahsanders@smarweb.org with any questions.

[Click here to register online!](#)

The entire class must be completed in order to receive CE Credit. Classes are open to all licensees based on availability.

SUCCESSFUL SHORT SALES

COST: \$40*

Carolyn Guy

January 19, 2012 (9:30 am - 12:30 pm)

3 clock hrs - Approved Topic F - Course ID#: 309-2611

Topics include: Preliminary requirements before a short sale is feasible, Relationships with lenders, Getting to Settlement plus examples of short sales.

SHORT SALES & FORECLOSURES: WHAT REAL ESTATE PROFESSIONALS NEED TO KNOW

COST: \$95

Sharon Martlock

February 8, 2012 (9 am - 5 pm)

6 clock hours** - Topic F - Course ID#: 310-2611

This one-day course is an approved elective for the Accredited Buyer's Representative (ABR®) designation and the Short Sales and Foreclosure Resource (SFR) certification. **Obtaining the Continuing Education Certificate is contingent on successfully passing the course final exam with at least an 80%. [Click here for course content.](#)

MD CODE OF ETHICS

COST: \$40*

Don Martin

February 10, 2012 (12:30 - 3:30 pm)

3 clock hrs - Approved Topic D - Course ID#: 301-2611

This course covers the MD Real Estate Commission's requirement for the 3 hour Ethics course which needs to include Flipping and Predatory Lending. This course also satisfies the NAR Code of Ethics requirement.

2008-2010 LEGAL & LEGISLATIVE UPDATE

COST: \$40*

Chuck Kasky

February 16, 2012 (9:30 am - 12:30 pm)

3 clock hrs - Approved Topic A - Course ID#: 297-2611

This course satisfies the 3 clock hour requirement of "Topic A: Federal, state or local legislative issues."

MREC AGENCY - RESIDENTIAL

COST: \$40*

Don Martin

March 8, 2012 (9:30 am - 12:30 pm)

3 clock hrs - Approved Topic H - Course ID#: 289-2611

This course satisfies the MD Real Estate Commission's license renewal requirement of Agency for licensees renewing after January 1, 2012. This class is required every 4 years.

FAIR HOUSING

COST: \$20*

Don Martin

March 8, 2012 (1:30 - 3 pm)

1.5 clock hrs - Approved Topic C - Course ID#: 265-2611

This course satisfies the MD Real Estate Commission's clock hour requirement of "Topic C: Fair Housing Law."

REVERSE MTGS FOR PURCHASE TRANSACTIONS

COST: \$20*

Mickey Yonke

March 8, 2012 (3:30 - 5 pm)

1.5 clock hrs - Approved Topic F - Course ID#: 313-2611

Class Highlights - What is a Reverse Mortgage, who is eligible, how it is structured, how does it differ from a "forward" mortgage, how it is similar to regular FHA financing, how can a refi Reverse work for a REALTOR & how does a purchase Reverse Mortgage work.

HELPING YOUR CLIENT UNDERSTAND HOME INSPEC

COST: \$40*

Cynthia Thalman

March 15, 2012 (9:30 am - 12:30 pm)

3 clock hrs - Approved Topic F - Course ID#: 315-2611

This course is an overview of the MD Standards of Practice for Home Inspectors. The class information will assist you and, in turn, your clients, in understanding home inspections, the home inspection process and working with home inspectors.

*The price reflected above is the cost for REALTOR® members. The non-REALTOR® cost is an additional \$5 for 1.5 - 2 hour classes, \$10 per class for 3 hour classes. There is an additional \$5 fee for walk-ins or same day registrations.

Continuing Education Approved Topic Legend

- Topic A) Federal, state or local legislative issues
- Topic C) Fair Housing Law
- Topic D) Real estate ethics or professional standards
- Topic F) Professional enhancement for practicing licensees
- Topic H) The principles of agency & agency disclosure
- Topic I) The requirements of supervision by brokers, branch office managers & team leaders

[Click here for ONLINE Courses](#)



CONTINUING EDUCATION POLICIES

Updated policies from the MD Real Estate Commission (MREC) – Effective April 18, 2011

1. A picture ID is required to be admitted into class.
2. Course Credit – a student may not receive credit hours for a course if:
 - a. The student arrives after the class instruction has begun or departs prior to the class being dismissed; or
 - b. The student is out of the classroom during the instruction period for more than 5 minutes during a 60-minute period.
 - c. A course provider, instructor, or monitor may not make an exception to the attendance requirements under any circumstances.
3. Classroom Conduct
 - a. Students may not take reading material unrelated to the course into the classroom.
 - b. Instructors, monitors, or students may not consult any personal electronic device (Blackberries or i-Phones, for example) during a class session.
 - c. Class time may not be used to promote or sell any materials or services or to solicit affiliation or membership in any business or organization.

If any of the policies above are not adhered to, it will result in the loss of Continuing Education Credit (Clock Hours).

Refund Policy

- Continuing education fees are not refundable. If you have registered for a class and are unable to attend, please call prior to the start of the class and you will be eligible for a “class credit.” A “class credit” (money you paid for a class) can be used to attend another continuing education class of choice at SMAR.
- If you are late and have not called prior to the start of class, you are NOT eligible for “class credit.”
- If you have registered for a class and are a “no-show,” you are NOT eligible for “class credit.”

Inclement Weather Policy - Updated as of February 18, 2010

- If the College of Southern MD Charles County Campus is closed, all education classes and committee meetings are cancelled and the SMAR office is closed.
- If the College of Southern MD Charles County Campus is set for “delayed opening,” all education classes and committee meetings scheduled before 12:00 noon are cancelled. Education classes and committee meetings scheduled after 12:00 noon will meet as scheduled.
- Please call SMAR’s main number, 301-274-4406, and press 7 for Inclement Weather/ Seminar Status Updates. Messages will be posted no later than 7 a.m. the day of the inclement weather.
- Once the cancelled Continuing Education Class is rescheduled, registrants will be notified of the new date. If a Continuing Education Class has been cancelled due to the weather, registrants have the option of rescheduling the class or receiving a refund.

MD Real Estate License Renewal Requirements

Hour Requirements

15 clock hrs - For ALL Maryland Licensees

Required Topics for MD Licensees

1. Topic A - Federal, state or local legislative issues - 3 clock hrs
2. Topic C - Fair Housing Law - 1.5 clock hrs
3. Topic D - Real estate ethics or professional standards - 3 clock hrs
4. Topic H - The principles of agency and agency disclosure - 3 clock hrs*
5. Topic I - The requirements of supervision by brokers, branch office managers, and team leaders - 3 clock hrs**

* Required topic for ALL licensees renewing after January 1, 2012

** Required topic for all Brokers, Managers and Team Leaders renewing after January 1, 2012



2011 in Review and Moving Forward in 2012

By: Paula Martino, SMAR Government Affairs Director

This update begins by wishing everyone a very happy and prosperous 2012. Here's a briefing of hot issues in 2011 and what we need to watch for in 2012.

ON THE NATIONAL SCENE

Super Committee a Super Failure

The so-called "Super Committee" charged with the responsibility of finding deficit reduction measures that total \$1.2 to \$1.5 trillion by Thanksgiving failed to reach a deal. So, the mortgage interest deduction is off the table for now. But, the MID was one of the "big ticket" items that got a serious look from the Committee suggesting that it will remain a target in the near future. The REALTOR® Party will remain vigilant in its opposition to any changes to the mortgage interest deduction.

What happens next? Unless Congress passes legislation to change things, \$1.2 trillion in federal programs will be automatically cut in 2013 with defense slated to take the biggest cut of all.

Congress Extends Flood Insurance - Again

Once again, Congress approved a short-term extension to the NFIP which authorizes the program until May 31, 2012. NAR continue to urge Congress to finish its work on the 5-year reauthorization bill approved by the House earlier this year. The flood insurance Call for Action is still active. If you have responded to the Call, THANK YOU!!! Please encourage your colleagues to do so by visiting www.realtoractioncenter.com.

FHA and GSE Loan Limits

On November 17, 2011, Congress passed a provision that would reinstate the FHA loan limits at 125% through December 31, 2013.

MARYLAND

PlanMaryland

In late December, Governor Martin O'Malley signed the executive order authorizing PlanMaryland. While the Maryland Department of Planning has no authority over local jurisdictions' land use decisions, it has the power to intervene in local land use proceedings to express State's views.

At a State Senate Committee briefing earlier in December MDP Secretary Rich Hall was asked what amount of leverage has the state to express its views to the locals; he responded, "Our leverage is limitless." Therefore, it seems the state's authority is still a matter of interpretation.

MAR and local association executives and government affairs directors met in Annapolis on 10/11/11 to develop an issues campaign strategy for PlanMaryland and the various legislation likely to be introduced to further its goals and objectives in 2012. MAR has already and will continue to utilize

many of the tools and programs offered to state and local associations by NAR's new My Realtor Party community and political advocacy platform. REALTORS® stay tuned for information from your Legislative Committee and Government Affairs Director about how you can help protect private property rights and local government autonomy in Maryland.



LOCAL ISSUES

Charles County

A merged scenario of the proposed comprehensive plan update was presented to the Commissioners and the Planning Commission on Monday, December 12th. It proposes to downzone in the rural areas, retain the Indian Head Science and Technology Center but eliminate the Bryans Road Sub-Area Plan, the cross-county connector and the Deferred Development District that are currently in the 2006 plan. As an Association of REALTORS®, SMAR is most concerned about the effects downzoning will have on property values and an already declining property tax base in Charles County. President Paul Fenton provided comments at the December 15th public meeting and a Call to Action was sent to Charles County members urging them to share these concerns with their County Commissioners.

The Property Standards Task Force is now working in earnest to develop recommendations to revise the County's property standards ordinance to better address the effects of blighted properties on neighborhood property values. A set of recommendations to the Commissioners is expected in early 2012.

The hearing for the 2012 Legislative Package was held on November 8th. Last minute intense lobbying efforts resulted in the proposal to create enabling legislation to enact a rental housing tax being pulled from the agenda before the hearing began.

St. Mary's County

A hearing for the review of the 2012 Legislative Package was held on December 6th. The package did not contain any legislative items of concern to the real estate community. The Board of County Commissioners is currently working on the FY13 budget.

Calvert County

Calvert County has changed its process to comprehensively review the County sign ordinance. It now appears the County's economic development

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SMAR Members Brightened the Holiday of over 200 Senior Citizens!



Bags and Bags of Secret Santa gifts at SMAR

Congratulations to the Community Relations & CARE Award Committee, led by Terrie Leonard, whose Senior Santa project exceeded all expectations this year by helping 231 senior citizens in nursing homes throughout the tri-county area. The Senior Santa Project provides gifts to residents of local nursing homes who have few or no visitors. This program has grown by leaps and bounds, starting just 2 years ago with 87 seniors, grew to 120 in 2010 and nearly doubled for Christmas 2011!

The Committee would like to express their deep gratitude to the REALTORS® who participated SO generously this year. This program would not exist without the kindness of SMAR members. In fact, cash donations this year were so great, that \$100 remained after meeting the gift requests of the seniors. This money will be used to purchase small CD players for each of the participating homes. These players are used for residents, often to make their final days more comfortable. Also, special thanks to Stuart Bowling, SMAR Technology Director, for getting the gift lists out to the membership and making those trees 'dance'!

So, thanks again to all those generous Santas out there and we look forward to an even greater response this December! If you have any questions about this program, please email Terrie at leonard@leonardrealty.com.



Secret Santa gifts under the Christmas Tree at SMAR



St. Mary's County Nursing Home Delivery

2011 in Review and Moving Forward in 2012

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agency will be working on this instead of county planning and zoning staff. This appears to be a positive development given the business friendly philosophy of the EDC. SMAR Board of Director IQ Slusher is representing REALTOR® interest during the review process.

RPAC

Once again, SMAR has exceeded its annual goal, raising just over \$26,000 for RPAC and continues to place in the top five among local associations in Maryland. THANK YOU TO THE SMAR MEMBERS WHO INVEST IN RPAC EACH AND EVERY YEAR!!! RPAC is vital to the success of The REALTOR® Party and to protecting your bottom line.

REALTORS®, thank you for your support of SMAR's Government Affairs Program through your investment in RPAC, exercising your right to vote and your participation in grass-roots advocacy efforts. Whether you do all or some of these on behalf of your industry, please know your efforts are greatly appreciated and they DO work!!!



Ask us about.....

- Financing Boot Camps for New Agents
- First Time Homebuyer Workshops
- 203K & Rehab Options
- First Time Homebuyer Options



Tim Murphy

Office: (301)885-2830
Toll Free: (866)369-7705
Fax: (301)885-2830

Email: teammurphy@cfmortgagecorp.com



SMAR's Newest Certification Recipients!



The BPOR (Broker Price Opinion Resource) certification is awarded by The National Association of REALTORS®. **Congratulations to:**

Patricia A Clark
Prudential PenFed Realty

Frederick W Davis
Weller-Davis, Inc.

Carolyn H Guy
Residential Plus Real Estate Services

Regina L Lawrence
RE/MAX 100

Geraldine D Ross
Long & Foster Real Estate, Inc

Theresa A Shoptaw
Exit Landmark Realty

Lisa Van Tassel
Home Towne Real Estate

Richard Thomas
RE/MAX 100

NAR's Newest Certification! "BPOs: The Agent's Role in the Valuation Process" is specifically designed to help residential real estate agents and brokers enhance their skills in creating BPOs, reducing risk, and applying alternative valuation techniques. According to industry estimates, more than 10 million BPOs are performed annually throughout the country. BPOs provide critical information for decisions, and have been widely adopted as a valuation tool in the mortgage industry and – increasingly – for government programs intended to aid the economy and help homeowners avoid foreclosure. For brokers and agents, BPOs provide multiple professional and financial opportunities for growth and expansion. To obtain this certification, you must complete the core course "BPOs: The Agent's Role in the Valuation Process" and an online webinar.



The e-PRO certification is awarded by The National Association of REALTORS®. **Congratulations to Judy Szyborski of O'Brien Realty.**

e-PRO® is the only certification program of its kind recognized nationwide and endorsed by the National Association of REALTORS®. The aim of the e-PRO® Certification course is not just to certify real estate professionals in Internet use. e-PRO® Certification is also a complete training program on communicating effectively with the online consumer and getting the most out of your online real estate business. Graduates learn how to leverage their most valuable asset - people skills - to create increased business online, by participation in online communities.



Certification/Designation Schedule

<http://www.southernmarylandrealtors.org/members/Designations.htm>

Check out SMAR's [Designations & Certifications Webpage](#) that lists the designations currently offered. Don't see what you need? Let us know and we'll try to make it happen! *So far, the following Designation & Certification classes have been scheduled for 2012:*

ABR® (ACCREDITED BUYER REPRESENTATIVE)

ABR® Designation Core Course

October 3 & 4, 2012 - 9 am - 5 pm both days

CDPE (CERTIFIED DISTRESSED PROPERTY EXPERT)

CDPE 2-Day Course

June 21 & 22, 2012 - 9 am - 5:30 pm both days

GREEN

Green 100: Real Estate for a Sustainable Future

April 18, 2012 - 9 am - 5 pm

Green 200: The Science of Green Building

April 19, 2012 - 9 am - 5 pm

Green 300: Greening Your Real Estate Business

April 20, 2012 - 9 am - 5 pm

E-PRO CERTIFICATION COURSE

e-PRO: Day 1

May 9, 2012 - 9 am - 5 pm

GRI (GRADUATE REALTOR® INSTITUTE)

GRI 300 Series

Feb 17, 24, March 2, 9, 16, 2012 – 8:30 am – 4:30 pm

SRF (SHORT SALE & FORECLOSURE RESOURCE)

Short Sales & Foreclosures: What Real Estate

Professionals Need to Know

February 8, 2012 - 9 am - 5 pm

SRES® (SENIOR REAL ESTATE SPECIALIST)

SRES® Designation Core Course

March 28 & 29, 2012 - 9 am - 5 pm both days



The Offering of Inducements and Payment of Referral Fees - What's a Real Estate Licensee to Do?

By: Alvin C. Monshower, Jr., Esq.

In the current economic climate, real estate licensees are taking extraordinary efforts to increase their business, including offering inducements to buyers and sellers and even advertising the payment of a referral fee for the referral of buyers and sellers.

This article examines the legal issues involved with respect to both the payment of referral fees and the offering of inducements. This is not a simple matter and, as this article and analysis will demonstrate, the rules with respect to referral fees are substantially different than the issue of offering inducements.

Section 17-604(a) of the Maryland Real Estate Brokers Act ("the Act") provides that a real estate broker, an associate real estate broker, or a real estate salesperson may not pay compensation in any form for the provision of real estate brokerage services to any person who is not licensed as a real estate licensee in Maryland.

The key phrase in the above quoted language is "... the provision of real estate brokerage services."

Section 17-101 of the Act states that providing real estate brokerage services includes, for consideration, providing services for another person in the selling, buying, exchange, or leasing of any real estate or for consideration, assisting another person to locate or obtain for purchase or lease any residential real estate. [Emphasis added]. The operative word in the immediate language quoted above is "... providing any services **for another person**."

Inducements, per se, are not illegal under Maryland law, with one exception. Pursuant to Section 17-322(b)(9) of the Act, a real estate licensee may not solicit, sell or offer to sell real property, so as to influence or attempt to influence a prospective party to the sale of real property by offering a prize or free lot or by conducting a lottery or contest.

In other words, a licensee may advertise, as an inducement for the use of their services, a free home warranty or even the rebate of a commission to a buyer in exchange for the purchase or lease of residential real property. Similarly, a licensee could offer a reduced discount - from the agents dollars and not from the company dollars - to obtain a listing.

It is permissible for a real estate licensee to advertise a rebate of part of a licensee's commission - again, not the company dollar commission - to a prospective buyer or tenant who actually purchases or leases property by and through the agent.

In connection with the offering of rebates, the Maryland Real Estate Commission posted on its website the following:



"Rebates/cash payments.

Section 17-604 provides that a licensee may not pay compensation in any form for the provision of real estate brokerage services to an individual who is not licensed. A person who is simply a party to a real estate transaction is not providing real estate brokerage services within the definition of Section 17-101 and, therefore, may receive monies from a licensee. If the money is used to pay settlement charges, that should be reflected on the HUD-1 Settlement Statement." [Emphasis added].

The Commission further states on its website the following:

"The agreement to pay compensation to a buyer in the form of a rebate of commission, or to compensate the seller either through a cash payment or reduction of the commission rate, must be in writing as required by the Code of Ethics of the Maryland Real Estate Commission."

Finally, with respect to inducements or incentives, in general, the Maryland Real Estate Commission's website states:

"Incentives. Section 17-322(b)(9) provides that a real estate licensee may not offer a prize or conduct a contest in order to influence a party to the sale of real property. This provision has been interpreted by the Attorney General's Office to mean that if a licensee uses inducements to obtain a listing or a buyer/broker agreement, those inducements must be offered to all consumers on the same basis. There cannot be a contest where a seller or buyer is offered a chance to receive a prize or a cash payment. If an offer is made, it must be available to all. The law will allow that licensees offering inducement related to price, that is, the offer can be for a rebate/payment as a percentage of price. In this way, the offer would be the same for all those who purchase or list price within a certain price range." [Emphasis added].

To summarize the above provisions of the Act:

1. A real estate licensee may not advertise or offer to pay a referral fee, either in writing or by verbal communication, to any person who does not hold a valid Maryland real estate license.

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The Offering of Inducements and Payment of Referral Fees - What's a Real Estate Licensee to Do?

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2. Inducements are not illegal, per se, as long as they do not involve a prize or the conduct of a lottery or contest. Any such advertisement, directly or indirectly, where the licensee agrees to pay something of value to a person based upon the luck of the draw or by chance, is illegal under Maryland law. Any advertisement for an inducement must be offered to all individuals who meet the basic requirements for the payment of money or something of value as advertised by the licensee.
3. Since a buyer or seller are not acting for another person in a real estate transaction, but are acting as principals in the transaction, the licensee is permitted to pay a rebate to the buyer of a portion of their commission or to reduce the commission owed by a seller provided the agreement is reduced to writing and, in the case of a buyer, where the payment is a contribution to closing costs, appears on the HUD-1 Settlement Statement.

The payment of referral fees, except to duly licensed real estate licensees, by and through their broker of course, is a very serious matter. The offering of inducements, while authorized, is subject to the limitations as set forth in this article. Licensees should be extremely careful in the offering of inducements and, when in doubt, should discuss the issues fully with their broker or branch office manager.

(By Alvin C. Monshower, Jr., Esq., Monshower, Miller & Magrogan, LLP. This article is intended to be a general discussion of the topic. As with all legal matters, the reader should consult with competent legal counsel regarding any actual situations or questions.)

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SMAR's Inclement Weather Policy

- If the College of Southern MD Charles County Campus is closed, all education classes and committee meetings are cancelled and the SMAR office is closed.
- If the College of Southern MD Charles County Campus is set for "delayed opening," all education classes and committee meetings scheduled before 12:00 noon are cancelled. Education classes and committee meetings scheduled after 12:00 noon will meet as scheduled.
- Please call SMAR's main number, 301-274-4406, and press 7 for Inclement Weather/ Seminar Status Updates. Messages will be posted no later than 7 a.m. the day of the inclement weather.
- Once the cancelled Continuing Education Class is rescheduled, registrants will be notified of the new date. If a Continuing Education Class has been cancelled due to the weather, registrants have the option of rescheduling the class or receiving a refund.

"Principles & Practices of Real Estate"

Pre-Licensing Course Offered at SMAR!

February 21 - April 12, 2012

SMAR's Principles & Practices of Real Estate Winter Session is scheduled to begin on Tuesday, February 21st. Interested persons may contact Hannah Sanders at 301-274-4406, ext. 22, or via email at hannahsanders@smarweb.org for the Course Catalogue and Enrollment Agreement.

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