

Missouri Realtors Business Conference April 5 – 7, 2017

Director's Report

Stephen M Kenny

April 23, 2017

I attended the Consumer Education Output Group Meeting

This group has opened up a Realtor Education Committee. They were tasked with developing a brochure for high school teachers centered on the benefits of and tools necessary to purchase a home. It was unclear to me whether the brochure will be used strictly by teachers or intended to be provided to students.

The group is re-building the "It's Your Move" program. The new approach is a curriculum to teach "Financial Responsibility for Future Home Ownership." This new program will be offered to teachers as a complete unit including syllabus and materials needed which can be copied and incorporated into the class.

I attended the Leadership Development Output Group Meeting

They introduced the Leadership Academy Class of 2017. This group introduced their program for the year, "The Legacy Tree." This will be built and displayed in the lobby of the newly renovated Missouri Realtors building. Each leaf costs \$100 and can include any Realtor, present or past.

The Output Group also discussed efforts to expand the leadership academy concept to more local Associations. Currently, 4 Associations offer Leadership Academies – Tri Lakes, GSBOR, OGAR, and Columbia.

I attended the Residential Forms Output Group Meeting

Steve Graham & Steve Gaddy (chair) gave an update on the task force working to develop a single, statewide contract. Progress is very good with the three areas involved working well together, MR, St. Louis Assn and GSBOR.

Two forms were presented for discussion. One was a Multiple Offers Notification. It was determined that having a form of this type is a good idea. There were numerous opinions as to whether the Buying Agent should be required to acknowledge receipt of the form in writing and convey that back to the Listing Agent. The other was a Bill of Sale intended to deal with those situations when a lender requires personal property to be removed from a contract. It was determined that, without the Bill of Sale being tied to the contract, it would be a side agreement and, therefore, disqualified as an approved form since the contract specifically states that the contract contains the complete terms of the transaction between the buyer & seller.

A few companies have been co-branding the Missouri Realtor forms with their company logos. The question was presented whether the Missouri Realtors wish to allow this. Although some spoke in support of the idea, the overwhelming majority felt that Missouri Realtors should not allow this practice and view it as a copyright infringement. The reasons for denial boiled down to 1) Allowing a company to change one item on the form could place the integrity of the form's content in jeopardy, 2) The branding would create confusion because each company generating a form would use a form with their

logo, and 3) Branding was seen as a brokerage marketing tool. The Output Group wanted to keep forms out of the arena of company promotion.

I attended the Risk Management Committee Meeting where I serve as Co-Chair.

There was a motion to ask the attorneys to investigate the cost and implementation of "Lexisnexis". Not sure I have that name correct. This is a system that would assist with Legal Line questions. The attorneys reported that the information they are providing is somewhat incomplete because they do not have access to recent case law. This system is apparently google for attorneys. It allows attorneys access to the latest court decisions statewide and nationally.

Update – The cost is \$200.00/mo for a 3 year commitment. The Risk Management Committee unanimously approved the expenditure via email vote and recommended passage by the Board of Directors. My guess is the Executive Committee has the authority to approve this amount of money now and the Board of Directors will ratify their decision at the next BOD Meeting in September.

There was a presentation by a career FBI Agent on compromised business email accounts. This Agent has been in charge of cyber theft for the past number of years. The upshot was a number of examples how attackers hijack users' email accounts. They do it mostly by stealing the user's login & password info. They search emails for transactions involving money. They send a buyer an email that looks exactly like a person or company that buyer is dealing with (Agent, Title Company, Attorney, etc). This email says that all is progressing well and the buyer needs to wire "x" dollars to an account. Once the buyer has acted and the money is in an offshore account ultimately controlled by the thieves, the money is randomly distributed in smaller amounts to other bank accounts controlled by the thieves or their network the very next day. By the end of the day the money is gone.

The message was to take every possible precaution to protect yourself and your customers/clients. Keep your anti-virus and anti-phishing software up to date and give your people specific instructions to call you if they receive any email request to transfer money to another party related to their real estate transaction. Also, encourage everyone to incorporate two step authentication for their email accounts.

Thursday night was the Robert Borgman RPAC Auction. Total raised by Realtors in attendance – Over \$100,000.00!! In one night! Yours truly donated \$1,055.00 for which NMCAR will receive credit.

Board Of Directors Meeting

The biggest issue that came up was whether to support bill HB 493 which would require that every property whose ownership is an entity (LLC, Corporation, etc) list a specific contact and physical address in the public record. The idea behind the bill is to give municipalities a way to reach owners who let their investment properties become eyesores due to lack of maintenance.

The overriding argument against this is that it would put small property owners (people who have one or two rentals and form an LLC for tax purposes and not allow crazy ex-tenants a way to retaliate against them) in harm's way. The contention was that ways currently exist by which municipalities can find the owners or property managers when needed. The claim is that municipalities do not want to devote man hours to take the extra step to get their names & contact info.

The Motion to support this bill (HB 493) was defeated. There was no motion to oppose the bill because one had not gone through the proper channels prior to the Directors Meeting.

Respectfully Submitted,
Stephen M. Kenny, Director