

THE OPEN HOUSE

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South of the border, REALTORS® not bankers will sell real estate

After almost eight years of lobbying efforts, the National Association of REALTORS® (NAR) has successfully stopped US banks from entering the real estate business.

On March 11, 2009, President Barack Obama signed into law, H.R. 1105, the *Omnibus Appropriations Bill*, permanently prohibiting banks from engaging in real estate activities. It also clarified the separation of banking and commerce.

The banking industry had long sought regulatory changes to allow banks, by law, to enter the real estate business so that financial holding companies (FHCs) and financial subsidiaries could provide real estate brokerage, leasing and property management services.

Since 2001, NAR has presented briefs and submissions and has appeared before the US Senate Subcommittee on Financial Institutions. NAR argued that in an effort to gain a greater market share, large banks have expanded into financial services and if allowed into real estate, could soon dominate. NAR also contended that real estate brokerage and property management are not financial activities, and banking and commerce are inherently different activities.

Throughout the years, NAR never wavered from its position that the end result would be less competition, fewer choices, higher fees, and increased risk of privacy breaches since banks would likely share private data obtained in real estate transactions with their affiliates and third parties.

In the end, NAR successfully convinced legislators that REALTORS® provide personal attention and have a fiduciary relationship with clients which banks could not have. This is because banks have a range of products whose promotion might not coincide with the interests of real estate clients.

Congratulations on your hard-fought victory, NAR!

Know the legislation and the rules about manufactured homes

The *BC Electrical Code, Electrical Safety Regulations* (ESR), Section 21, requires all new manufactured homes to display an approval mark and ESR 21(d) requires used manufactured homes to display a “silver label.”

In keeping with these regulations, the *Rules of Cooperation* 3.30(d), specify that a listing will not be accepted on a manufactured home without both the Manufactured Home Registry (MHR) number and a Canadian Standards Association (CSA) or BC Electrical Inspection silver label number.

If there is no label, the BC Safety Authority recommends REALTORS® have their clients:

- locate an electrical contractor that specializes in residential or manufactured homes;
- have the contractor inspect the existing system and make any required modifications to meet current standards; and
- have the contractor contact a BC Electrical Safety Officer to approve the work and affix the silver label.

This process could take as long as six weeks.

Members who are asked to list a property that does not have a visible CSA sticker or a silver label should carefully look for the sticker or label. It could have been covered in a renovation. If it can't be found, the home owner must have a reinspection done.

If a manufactured home has been renovated or altered in any way, the home owner is required to have a reinspection and must display a new silver label. Non-inspection of homes can pose problems for home owners and may lead to compromises in safety, according to BC Real Estate Association (BCREA).

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