



D.R. Legal News

The Illinois real estate managing broker's trusted source for current legal, management and housing market issues



January 2013

Digital Signatures Revisited

By Steve Bochenek, IAR Chief Legal Counsel

The following article was first published in the *Designated REALTOR® Exclusive* in September 1999 and then republished in 2009. As a result of recent questions regarding the use of digital signatures in executing “Real Estate Purchase” or “Real Estate Sales” agreements, the article was reviewed and updated as necessary. Much of the Illinois law on digital signatures remains unchanged since the article was first published.

As discussed in the reprint below the two key issues are proving that a person actually signed the contract electronically and that the terms of the electronic version of the contract have not been changed from the electronic version the parties signed. These do not become issues unless a person denies signing electronically or alleges that the terms have been changed since the contract was signed electronically. Proving either of these can be difficult in the case of electronic signatures and contracts.

Original Article

As computers and the Internet become more and more a part of our everyday lives, there is a growing discussion of electronic commerce (“e-commerce”) and how it will become more and more a part of our everyday business culture. How long will it be before contracts for the sale and purchase of real estate are handled electronically? The State of Illinois has indicated that it would like to enhance the opportunity for e-commerce transactions to occur by the passage of the Illinois Electronic Commerce Security Act. The Illinois Electronic Commerce Security Act (“the Act”) was passed by the General Assembly in 1998 and was effective July 1, 1999. The Act has not been changed since its effective date. The report of the Commission that drafted the legislation indicates that:

“This Act is designed to enable and promote electronic commerce through the exchange of electronic records and electronic signatures. It does this by: (1) removing existing barriers (actual and perceived) to electronic commerce, such as concerns over whether electronic records meets statutorily-required writing and signature requirements, originality requirements, evidentiary requirements, and record keeping requirements; (2) addressing the fundamental issue of trust required for all forms of electronic commercial transactions . . .; (3) authorizing and enabling the use of digital signatures, and providing default rules for the conduct of the various parties required for such transactions; (4) establishing a legal framework that will provide certainty to the parties

engaged in the commercial transaction, without creating undue regulations or barriers that might stifle the development of electronic commerce or the business models necessary to make it work.”

In essence, the Act is intended to put electronic transactions conducted by an exchange of electronic information on the same legal footing as transactions conducted through written information. Perhaps the single most significant impediment to two parties entering into an electronic contract for the purchase and sale of real estate is the Statute of Frauds. The Statute of Frauds requires that a contract for the purchase and sale of real estate be in writing signed by the person against whom the contract would be enforced. The Act has several sections which address the effect of the Statute of Frauds on electronic contracts. Section 5-110 of the Act indicates that agreements should not be denied legal effect simply because they are in electronic form. Also, Section 5-115 of the Act provides that “where a rule of law requires information to be ‘written’ or ‘in writing’ or provides for certain consequences if it is not, an electronic record satisfies that rule of law.” However, these sections of the Act do not, in and of themselves, open the flood gates for electronic purchase and sale agreements for real estate transactions.

Another key section of the Act is section 5-120 which provides that an electronic signature satisfies the Statute of Frauds requirement that the agreement be signed by the party against whom it would be enforced. An electronic signature could, for example, simply be someone keying in their name on a contract. Notwithstanding these favorable provisions of the Act, there still are key questions of evidence and proof which need to be addressed. Specifically, one would need to be able to prove that an electronic signature on the electronic contract was either actually affixed to the contract or adopted by the party whose name appears on the agreement. Further, you would need to be able to prove that the contents of the electronic contract, including such items as contingency sections checked, closing dates and purchase price, are the same provisions that were in the agreement at the time that the electronic signature was affixed or adopted by the sending party. Typically, with reference to an electronic contract or an electronic signature these items would be very difficult to prove. The typed signature or sender information of a party to the contract could have been placed there by anyone. Also, because of the digital nature of an electronic contract, it is not difficult to change the terms and provisions of the contract. Thus, it would be difficult to prove that the terms and provisions in an electronic offer to purchase real estate received by the seller, including any handwritten changes, were the same provisions contained in the offer when the electronic signature was affixed to the electronic offer.

The Act contains additional provisions that should assist in meeting this burden of proof. The first of those concepts involves what are called “electronic records.” Under the Act, a “record” is defined as “information that is inscribed, stored, or otherwise fixed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.” Thus, under the Act a “record” can either be in writing or in electronic form. A real estate purchase agreement in electronic form would, under the Act, be considered an electronic record. Also, under the Act, the term “signature” is defined as “any symbol executed or adopted, or any security procedure employed or adopted, using electronic means or otherwise, by or on behalf of the person with intent to authenticate a record.” Thus, under the terms of



the Act the real estate sales agreement would be considered an electronic record and the name of the party added or attached to the electronic agreement would constitute an electronic signature.

However, that would still be insufficient to prove the terms of the agreement and that the proper parties signed that agreement. Rather, in order to prove that the provisions of the electronic contract are unchanged and that it has been signed by the proper parties, one would need to have what the Act calls a "secure electronic record" and a "secure electronic signature". A secure electronic record is described in Section 10-105 of the Act. Section 10-105 provides that an electronic record can be considered as secure if there is a qualified security procedure which can verify that since a specific point in time until the time it is verified the electronic record has not been altered.

The qualified security procedure is one that must be agreed upon by the parties in advance or one that is certified by the Secretary of State as a qualified security procedure. The Secretary of State's office has promulgated rules (14 Ill. Adm. Code 100) to implement the provisions of the Act. However, it is not clear that any qualified security procedures have been certified by the Secretary of State as of the date of this updated article. The party who intends to rely upon the secure electronic record must also show that the qualified security procedure is (1) commercially reasonable under the circumstances, (2) is applied in a trustworthy manner, and (3) is reasonably and in good faith relied upon by the party wanting to enforce the secure electronic record. Under the Act, the benefit of having an electronic record considered to be a secure electronic record is that a presumption is established that the secure electronic record ("contract") is accurate. The burden of proof then switches to the party who would deny the accuracy of the contract to show that the contract is inaccurate.

Similarly, for an electronic signature there is a process to establish a secure electronic signature. This is spelled out in Section 10-110 of the Act. The electronic signature can become a secure electronic signature through the use of a qualified security procedure. Again, the qualified security procedure can be one that is agreed to by the parties in advance or one that is certified by the Secretary of State. In addition, that qualified security procedure must be (1) commercially reasonable under the circumstances, (2) applied by the person who would enforce the agreement in a trustworthy manner, and (3) must be reasonably and in good faith relied upon by the person who would enforce the contract. Once again, if an electronic signature can be considered to be a secure electronic signature, there is a presumption established that the signature affixed is that of the person to whom it relates. This presumption can be contested by the signer, but under the Act there must be affirmative proof to show that it is not the signature of that party.

Also, as an alternative to certification the parties can agree, prior to an electronic contract to purchase being entered into, as to the qualified security procedure. However, that qualified security procedure must be one that is commercially reasonable in that it would be of a nature that would be reliable to show the unaltered state of a document and that the name of an individual affixed to an electronic contract is actually the signature of the party to be bound by the contract. The primary means of doing each of these is through a method of encryption and the use of algorithms.

Section 15-101 of the Act indicates that a digital signature created by using an asymmetric algorithm certified by the Secretary of State will be considered as a qualified security procedure. The Act defines a

“digital signature” as “a type of an electronic signature created by transforming an electronic record using a message digest function, and encrypting the resulting transformation with an asymmetric crypto system using the signer’s private key, such as, any person having the initial untransformed electronic record, the encrypted transformation and the signer’s corresponding public key can accurately determine whether the transformation was created using the private key that corresponds to the signer’s public key; and whether the initial electronic record has been altered since the transformation was made. A digital signature is a security procedure.” Thus, the term “digital signature” does not really refer to what is typically considered a signature but to a qualified security procedure. The digital signature uses a pair of two mathematically related keys, one a private key and the other a public key. The private key basically is used to encrypt the message and the public key is used to verify that the contract or electronic record has not been altered since it was encrypted, and sent to the other party.

The potential problem with using a digital signature as a qualified security procedure is that it will typically require a third party involved in the process called a “certification authority.” That third party would hold the public key and could certify as to the identity of the individual to whom that key relates and the existence of the public key. The certification authority would be charged with issuing a certificate identifying the person holding a particular public key and certifying that the person identified in the certificate holds the private key which relates to the public key listed in the certificate. If the public key listed in the certificate verifies the digital signature of the contract or electronic record, then the presumption is established under the Act as to the authenticity of the electronic contract and the signature of the party to be charged.

Although there has been no change to the Illinois law since 1999 there have been two subsequent enactments on the federal level. These new federal provisions are the Uniform Electronic Transactions Act (“UETA”) and the Electronic Signatures in Global and National Commerce Act (“E-Sign”). UETA is a model act drafted as an effort to bring electronic files and documents to the level of a “writing” for purposes of the statute of frauds and other statutory requirements. The UETA does include real estate transactions, but there is nothing in the UETA to address or remedy potential fraud that would likely arise from a real estate deal without paper. About half of the states have adopted the UETA. Following the UETA, the Federal Government passed the Electronic Signatures in Global and National Commerce Act (“E-SIGN”) which became effective in 2000. E-SIGN preempts any state laws that require documents be in writing and signed. E-SIGN then governs and a signature or record in electronic form will meet state law requirements and be enforceable. E-SIGN does have two exceptions to preemption: (1) if a state adopts the official version of the UETA the laws would not be preempted; or (2) if a state adopts a statute that is consistent with E-SIGN and does not favor one technology over another, then it will not be preempted either.

Illinois has not adopted the UETA. This likely results from the fact that the Illinois Act is more detailed and contains exceptions not present in UETA. The issue becomes whether the Illinois Act is preempted by E-Sign. It is not clear that E-Sign would preempt the Illinois Act and the Illinois Act is still good law today.

The bottom line is that unless certified by the Illinois Secretary of State or there is an agreed process for the secure electronic signature and qualified security procedures that the issue will still be proving the contract has not been changed and that the parties whose names appear actually signed the contract. Using the process of the secure electronic signature provided for by Illinois seems to not be consumer friendly or cost efficient and has not gained wide acceptance. However, this will not be an issue unless one of the parties does not want to proceed with the contract and then the evidentiary issues will be key. In fact, these same evidentiary issues can arise with traditional handwritten signatures.

Postscript

Two additional issues in regards to this topic have recently presented themselves. The first is that federal law provides that notices or disclosures required to be provided by statute, such as the Residential Real Property Disclosure form or agency disclosure, cannot be made electronically unless written consent to receive the disclosure is first secured from the person to whom disclosure is to be made. The second issue is company policy. Real estate brokerage companies are free to independently adopt their own policies in regard to using electronic contracts and signatures, making disclosures electronically or initially accepting electronic signatures but requiring hard copies and wet signatures to be provided in follow up. Brokerage companies are advised to make sure their sponsored licensees understand the company policy on these issues.●

Legal Webinar: Heard It on the Hotline

Each month IAR legal counsel presents a one-hour webinar on hot topics of the day. IAR members can download the programs at <http://www.illinoisrealtor.org/legal/webinars>. (Note: Member login required for this exclusive IAR member benefit.)

- **“New Legislation: Year End Issues”** (December 20, 2012) This IAR Legal Webinar features new laws that take effect Jan. 1, 2013 including a revised Radon Disclosure Form (#422) available for FREE download on the IAR website or for bulk purchase through the IAR REALTOR® Store, 800-529-2696. Illinois Association of REALTORS® Chief Legal Counsel Steve Bochenek and Legal Hotline Attorney Betsy Urbance cover new laws and year-end issues related to mobile phone usage while driving, and 3.8 percent tax demystified.
>> *Find more resources from the National Association of REALTORS® on the 3.8% Tax including a video, FAQs and a handout: <http://www.realtor.org/articles/38-tax-to-go-into-effect-in-2013>.*
- **“Emerging Legal Issues”** (November 19, 2012) This IAR Legal Webinar highlights recent legal cases of interest to Illinois REALTORS® including an ethics complaint, cases involving title and disclosure issues, e-signatures, copyright and other Q&A.●

 Legal Case Studies

Woman sues real estate agent for theft during open house. According to the *Chicago Sun-Times*, a Highland Park woman has filed suit in Cook County against a real estate agent and brokerage firm for “careless and negligent acts” during an open house, which led to the theft of \$162,000 in jewelry stored in a walk-in closet. The police are still investigating the alleged incident. Regardless of whether it has any merit, the suit emphasizes the need for brokers to warn homeowners to take precautions, such as removing valuable items and storing them in a safe deposit box or a secure rental unit while their house is on the market.

Employers cautioned to adopt social media policies. The importance of having a written agreement or policy to clarify ownership of social media accounts was highlighted in a suit filed in New York by PhoneDog LLC against a former employee who continued to use a company Twitter account after leaving his job. According to Law360, a newswire service for business lawyers, the employee wrote product reviews and posted videos on the company’s blog and social media sites, gathering 17,000 followers on Twitter. When he left his job, the now-former employee changed the name of the Twitter account and continued to use it, along with its large following. The company argued that each follower was valuable to the company and that the loss of the Twitter feed caused it economic harm. A federal judge allowed the case to go forward, but it was subsequently settled in a confidential agreement. Had the company adopted a policy or executed an employee agreement as to who owned the Twitter account, litigation over its use after the employee left might have been avoided. REALTORS® using social media for work may be creating valuable contacts that should be protected like customer lists.

The date of execution of a contract is not necessarily the date of the contract. *Asset Recovery Contracting, LLC v. Walsh Construction Company of Illinois, 2012 IL App (1st) 101226.* In a case decided on November 1, 2012, an Illinois Appellate Court evaluated whether the date at the top of a contract or the date of execution was the effective date. In that case, an interior demolition subcontractor on an office tower redevelopment project argued that the date in 2004 on which it signed a subcontract with the general contractor was the effective date, even though the subcontract clearly stated at the top of the face of the document, “Date of Agreement: September 12, 2003.” The court explained that the law in Illinois was that a court initially looks to the language of the agreement alone and if it is unambiguous, then it interprets the agreement without resort to any extrinsic evidence, such as conversations or prior oral agreements. Applying this rule, the court held that the contract was not ambiguous: (1) it clearly stated on its face that the date was September 2003; and (2) the subcontractor certified that it was fully familiar with all the terms of the contract. The date of the subcontract was a term of the contract, so by signing the agreement in 2004, the subcontractor adopted and ratified the effective date of September 2003. The court noted that contractual terms may be effective for a period before the contract is executed, so long as coverage is clear from the face of the contract. Consequently, to avoid controversies over the effective date of a contract, REALTORS® should always be sure that the terms are clear, especially if the contract contains a date at the beginning and dates at the signature lines.

Damages in breach of contract for sale of unbuilt condominium development too speculative. *Martinez v. River Park Place, LLC, 2012 IL App (1st) 111478.* Condominium developers in Elgin contracted to sell units prior to obtaining title to property from the city and commencing construction. By the time the project was ready to be started, the developers told the plaintiff purchasers that costs had increased and that the purchase prices needed to be raised by over \$90,000. Plaintiffs did not agree to the increases, so developers terminated the purchase contracts pursuant to a provision providing for termination for any reason and limiting damages to the return of Plaintiffs' earnest money. The court found that the liquidated damages provision was not valid and that the developers had breached their promise to sell the units to Plaintiffs. Generally, the measure of damages for this kind of breach of contract is the difference between the contract prices for the condominium units and the market prices at the time of the breach. Plaintiffs had the burden of proving fair market value on the date of the breach, but not only were there no actual sales on which to base market value, but construction had not even commenced. Consequently, the Court found that any conjecture as to the fair market value of the property was speculative and that Plaintiffs' damages were limited to a return of their earnest money and nominal damages of \$1 each, rather than damages equal to the difference between the contract prices for condominium units and market prices.

Notice to owners according to property tax records when applying for rezoning is not always enough. *Musicus v. First Equity Group, LLC, 2012 IL App (3d) 120068 (November 26, 2012).* When applying for a rezoning or other zoning request like a variance or special use, notice to nearby landowners is required under the Municipal Code. In addition to following the letter of the applicable statute, however, the constitutional requirements of procedural due process may require more diligence. To satisfy the requirements of procedural due process, the manner of giving notice must be reasonably calculated, under all of the circumstances, to apprise the interested parties of the pendency of the action and afford them an opportunity to present their objections. In this case, First Equity, the real estate developer and agent for the pharmacy CVS, sought to obtain rezoning and a special use permit for property on which CVS wanted to build a new store. That property was within 250 feet of its existing store, which CVS rented from the Plaintiff. In the county assessor's office, however, the existing store property's owner was listed as "Osco 18-825, c/o Raphael J. Musicus #8691-01," with an address of a CVS Pharmacy in Rhode Island. The property owner did not receive notice of the zoning hearing and did not attend. The court held that the plaintiff did not receive adequate notice of the hearing. Under the circumstances, the court found that by simply mailing notice to property owners at their addresses noted on the property tax records, First Equity's efforts were not reasonably calculated to actually apprise plaintiff of the scheduled public hearing. As agent for CVS, "First Equity could have easily verified plaintiff's home address as set forth in the lease" and it was insufficient to rely on property tax records that clearly indicated an address that was merely the location of another CVS property out of state. This case demonstrates the need to review property tax records when complying with notice requirements and to exercise that extra effort to ensure that all reasonable efforts are made to apprise interested parties.

Knowledge of buyer's representative imputed to client. *Casady v. Fehring, 360 S.W.3d 904 (Mo. Ct. App. 2012).* In this case the purchasers of 24 acres filed a claim against the original owners to

quiet title to two acres of land that they claimed was included in their purchase. The Casadys sold 26 acres to Claudia Jensen in 1997 and repurchased two of those acres in 2005. A survey was completed and the purchase completed, but unfortunately, the deeds in these transactions somehow were recorded in a “seemingly illogical” manner. After Jensen died, her property was put on the market and listed as approximately 24 acres. The stakes from the 2005 survey were still visible. The Fehrings contracted to buy the property. The agreement stated that the property was 24 acres and gave the buyers the right to survey the property, but they did not exercise that right. The Buyers’ representative also received a map of the property which indicated the two acres owned by the Casadys. By mistake, however, the deed delivered to the Fehrings contained a legal description for the entire 26 acres. The buyers claimed they were unaware of the prior sale and claimed all of the property. The Missouri Court of Appeals held that the buyers had notice of the Casadys’ purchase of the two acres and denied the Fehrings’ claim to the entire 26 acres for two reasons. First, although the deeds were recorded out of order, the Casady’s purchase was recorded, so the buyers had constructive notice of the 2005 purchase. Second, the court found that the buyers’ representative had a map clearly indicating the 24 acres purchased and had contacted the Casadys about the boundaries of the property; consequently, the court imputed the buyers’ representative’s knowledge of the prior purchase of two acres and ruled in favor of the Casadys. As this case illustrates, buyers may be deemed to have all of the information that their real estate agents have and such knowledge can work to their disadvantage. ●

Real Estate Disciplines

Following are recent disciplinary actions taken by the Real Estate Division of the Illinois Department of Financial and Professional Regulation, <http://www.idfpr.com/News/Disciplines/DiscReports.asp>

- A real estate leasing agent license was indefinitely suspended for a minimum of one year for accepting compensation for the performance of real estate activities from someone other than her sponsoring broker.
- A real estate leasing agent license was indefinitely suspended for a minimum of one year and fined \$10,000 for advertising real estate property while his license was in an inoperative status.
- A real estate broker license was revoked and fined \$25,000 for brokering real estate rental agreements without holding a valid license.
- A real estate broker license was revoked and fined \$100,000 for failing to account for funds, failing to remit escrow monies and failing to respond to the Department's written demand for escrow records.
- A real estate broker license was revoked for violating the terms of a Consent Order.



- A real estate broker license was revoked and fined \$25,000 for failing to provide notice that he was acting as a dual agent and failing to provide proper notice of a real estate transaction closing to one of the parties to the transaction.
- A real estate salesperson license was indefinitely suspended for a minimum of one year and fined \$10,000 due to his failure to remit escrow money and failure to respond to the Department's request for communication.
- A real estate salesperson license was indefinitely suspended and fined \$5,000 for failure to remit a security deposit.
- A real estate salesperson license was indefinitely suspended and fined \$15,000 for engaging in dishonorable, unethical and unprofessional conduct by failing to protect a client's confidential information.
- A real estate managing broker license was suspended for being more than 30 days delinquent in the payment of child support.●

Common IDFPR Compliance Issues

The six topics below are common compliance issues from the Illinois Department of Financial and Professional Regulation (IDFPR) with statutory citations for your reference. These are intended as examples of problem areas and are not all-encompassing.

- 1. Licensees (and company) properly licensed.** *Statutory References: Act: Sections 5-15; 5-40; 20-20(a)(6) & 20-22; Rules: Section 1450.110*
- 2. Written employment agreement with all sponsored licensees.** *Statutory References: Act: Section 10-20(c); Rules: Section 1450.735*
- 3. Brokerage Agreements/Listing Agreements – Includes defined termination date without automatic extension.** *Statutory References: Act: 10-25; Rules: Section 1450.770(d)*
- 4. All advertising is accurate and truthful.** *Statutory References: Act: Sections 10-30; 10-35; 20-20(a)(9)&(10); Rules: Sections 1450.715 & 1450.720*
- 5. Dual agency – Prior informed written consent from buyer/tenant.** *Statutory References Act: Section 15-45; Rules: Section 1450.820*
- 6. Escrow – Reconciliation compares bank statement to journal and ledgers.** *Statutory Reference: Rules: Section 1450.750.*

Note: *The Illinois Association of REALTORS® has been in conversations with the Illinois Department of Financial and Professional Regulation (IDFPR) regarding an educational tool for Managing Brokers on compliance issues. The IDFPR Compliance Examination guide is expected to be published in early 2013.*



RVOICE - Fighting For You!

<http://www.illinoisrealtor.org/rvoice>

By Mike Scobey, Assistant Director - Advocacy and Local Issues

- The RVOICE program recently updated the popular *Property Management Guide for REALTORS®*, which gives IAR members an overview and description of some of the principal laws and regulations that exist in the realm of residential rental property management. Get a FREE download from the IAR website:

<http://www.illinoisrealtor.org/sites/illinoisrealtor.org/files/Advocacy/PracticalGuideforRealtors.pdf>

- In the November General Election, local associations and the Illinois Association of REALTORS® RVOICE program were at work in four local communities in Illinois fighting against home rule referenda. In Kenilworth and Westmont, voters defeated home rule. In Maywood and Homer Glen, voters approved the continuance of home rule. We expect more home rule battles to ensue in the 2013 municipal elections. Learn about home rule and the recent battles:

www.iarbuzz.com/2012/11/illinois-realtors-defeat-home-rule-kenilworth-westmont/

- Check out the infographic series covering four key battles waged by the IAR GAD team and the RVOICE program to SAVE you and your clients money, STOP red tape and fees on real estate transactions, and PROTECT private property rights.

www.illinoisrealtor.org/gadbattles

RVOICE is the name of the Illinois Association of REALTORS® Advocacy Program. This program, established in 2006, ensures that the interests of REALTORS® and property owners are well represented before local governments throughout Illinois.

GAD BATTLES
IAR Fighting for You!
Vol. 2

THE BATTLE
When municipalities in 5 Illinois communities put "home rule" on the ballot in March 2012 — giving politicians unprecedented powers to raise property taxes — IAR and its RVOICE/GAD program mobilized to educate voters and stop home rule.

OUR WEAPONS
Direct Mail Campaign
Hard-hitting postcard campaign to help registered voters understand the dangers of home rule.
Targeted telephone calls to registered voters who received the postcard.
DON'T BE FOOLED. THE NAME SOUNDS GOOD BUT HOME RULE IS A BAD IDEA AND IT HAS SEVERE CONSEQUENCES FOR OUR COMMUNITY.
"Home rule communities can impose and raise property taxes that non home rule cities cannot."
-Daily Herald, 2/6/12
HOME RULE in Merrionette Park?
More scrutiny. More hassles. More control. AND MORE TAXES!

Why do Illinois REALTORS® OPPOSE home rule?

- 1 INCREASED DEBT FOR LOCAL GOVERNMENTS
- 2 HIGHER PROPERTY TAXES WITHOUT VOTER APPROVAL
- 3 MORE REGULATIONS, RED TAPE AND FEES ON REAL ESTATE TRANSACTIONS
- 4 NEW INSPECTIONS AND FEES

Who were the GADs?

TOM JOSEPH
Tom is the Illinois Association of REALTORS® local Government Affairs Director (GAD) representing Kankakee-Iroquois-Ford, Mainstreet Organization and Three Rivers local REALTOR® associations.

JEFF MERRINETTE
Jeff is the local GAD representing the Mainstreet Organization of REALTORS® (DuPage County and Northwest Suburban Cook County).

A WIN!
ALL FIVE Home Rule Attempts DEFEATED!

Clarendon Hills DuPage
Prospect Heights Cook
Itasca DuPage
Lynwood Cook
Merrionette Park Cook

In the March 20, 2012 Primary Election, all the municipalities where IAR/RVOICE got involved, home rule was rejected.

RVOICE
The Illinois Association of REALTORS® is "The Voice for Real Estate in Illinois." RVOICE is our MEGAPHONE!
The Illinois Association of REALTORS® employs 10 local Government Affairs Directors (GADs) to assist local REALTOR® associations in monitoring local government action for its impact on the business of real estate and homeowners. RVOICE funding was used for these successful home rule battles to fund the direct mail campaigns and telephone calls. RVOICE is the name of the Illinois Association of REALTORS® Advocacy Program, established in 2006 to ensure that the interests of REALTORS® and property owners are well represented before local governments in Illinois.

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Housing Market Forecast

Statewide home sales jumped 30.6 percent over previous-year levels in November and the state median price increased 7.7 percent, according to IAR's latest housing report. Statewide home sales in November 2012 totaled 10,135 homes sold, up from 7,758 in November 2011. The state median price was \$140,000 in November.

The November home sales report marked IAR's switchover to a new service 10K Research and Marketing, a Minnesota-based firm that is a division of the Minneapolis Area Association of REALTORS®. The change allows IAR to provide additional information we had not previously been able to give to members and to provide it in a more visually appealing format.

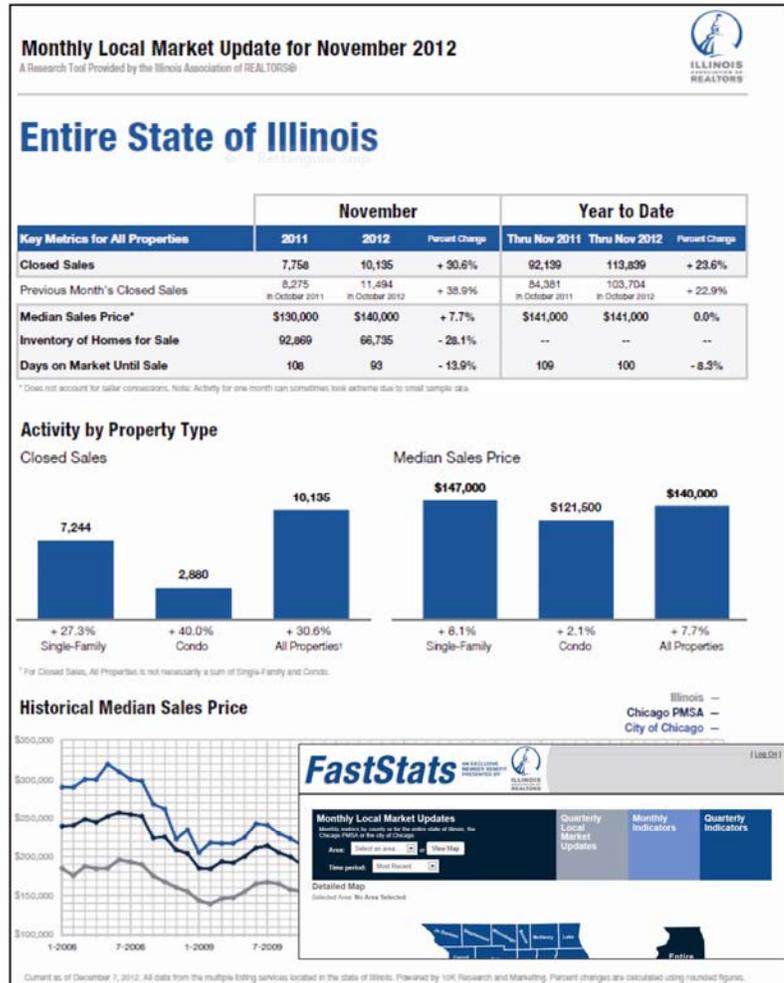
> IAR's online interface allows you to drill down to see data for any county in the state and sort the data by key categories.

>FastStats offers an easy-to-use, clickable state map with data for counties, the state, the nine-county Chicago PMSA and the city of Chicago.

> You'll find it all in the Members Only Market Stats section of the IAR website <http://www.illinoisrealtor.org/membermarketstats> (login required).

> And get the latest University of Illinois REAL forecast and IAR home sales report at <http://www.illinoisrealtor.org/marketstats>.

> The next IAR Housing Market report will be released January 22.



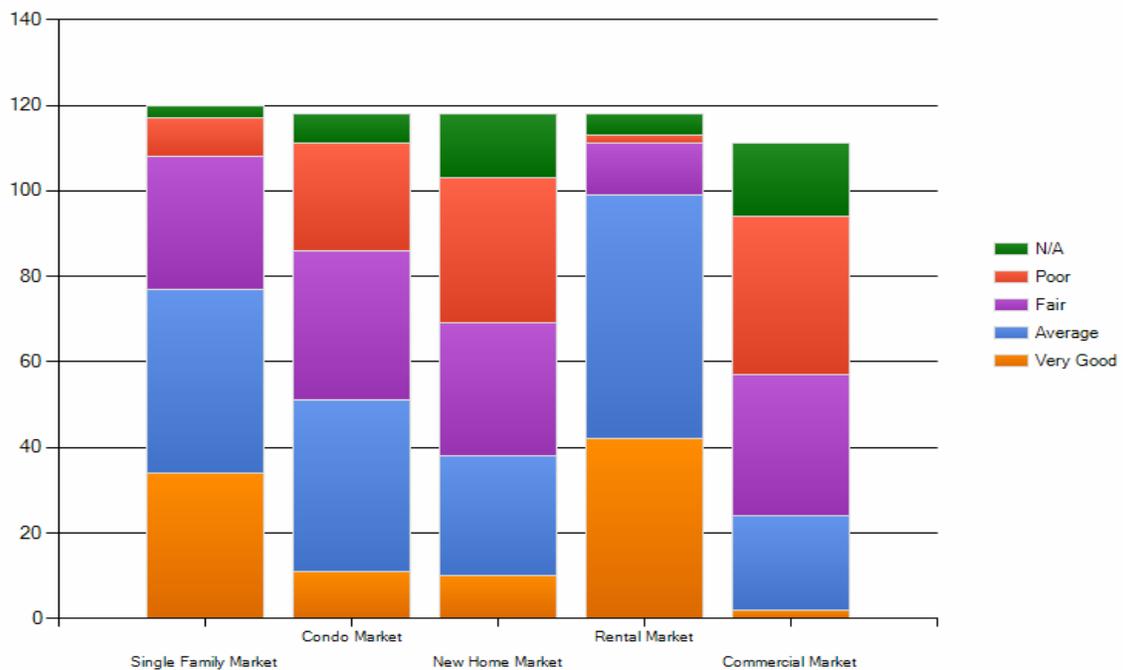
Managing Broker Survey Results

In early December, the Illinois Association of REALTORS sent an email survey to all member managing brokers. Thank you to all who completed the survey. Below are survey highlights.

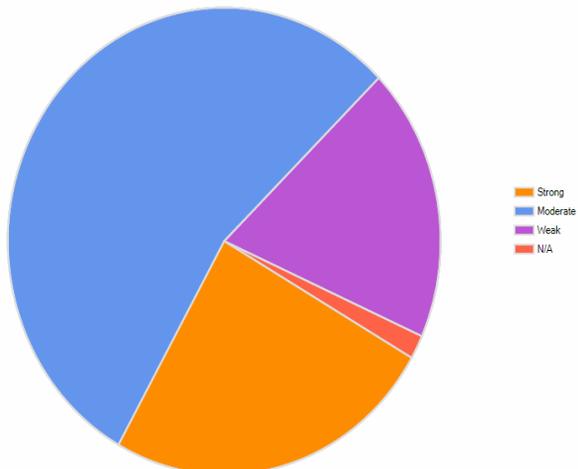
Among the findings, managing brokers surveyed expect the rental market and property management to remain the strongest over the next six months with some improvement in the single family market. Buyer traffic is seeing interest by investors and continued prevalence of shorts sales and foreclosures.

When asked what is the #1 challenge for your real estate business at this time, a majority cited financing issues including qualifying and closing mortgages for buyers, appraisal issues and getting short sales approved. Also cited: recruiting and retaining agents while maintaining profitability.

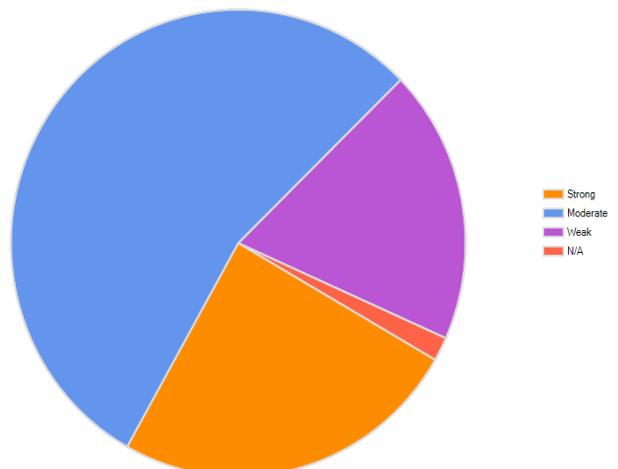
What are your expectations of the real estate market in your area over the next six months?



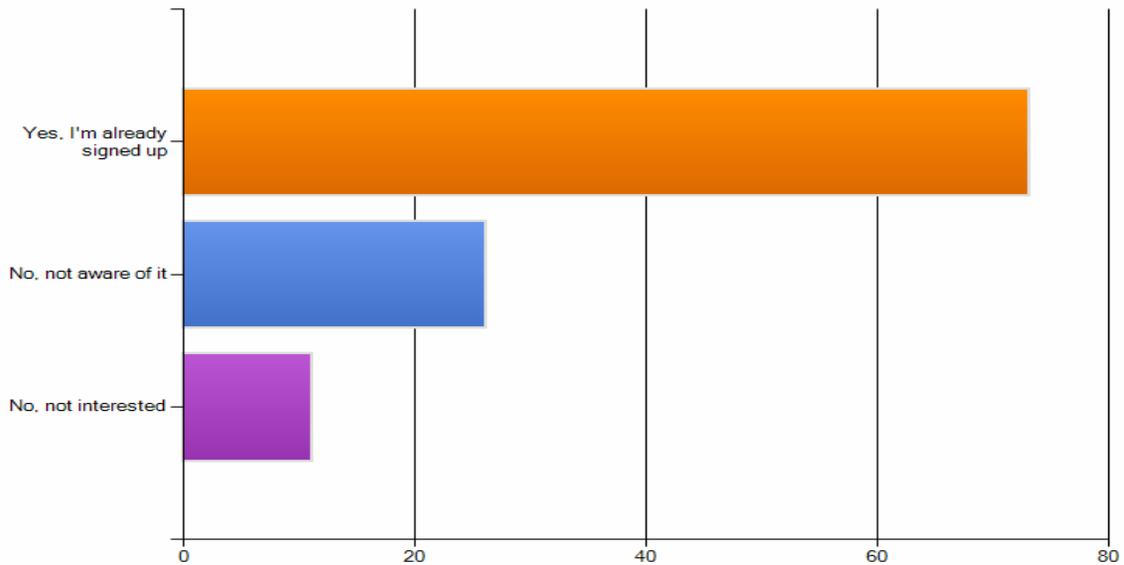
How do you rate the traffic in your region for prospective BUYERS?



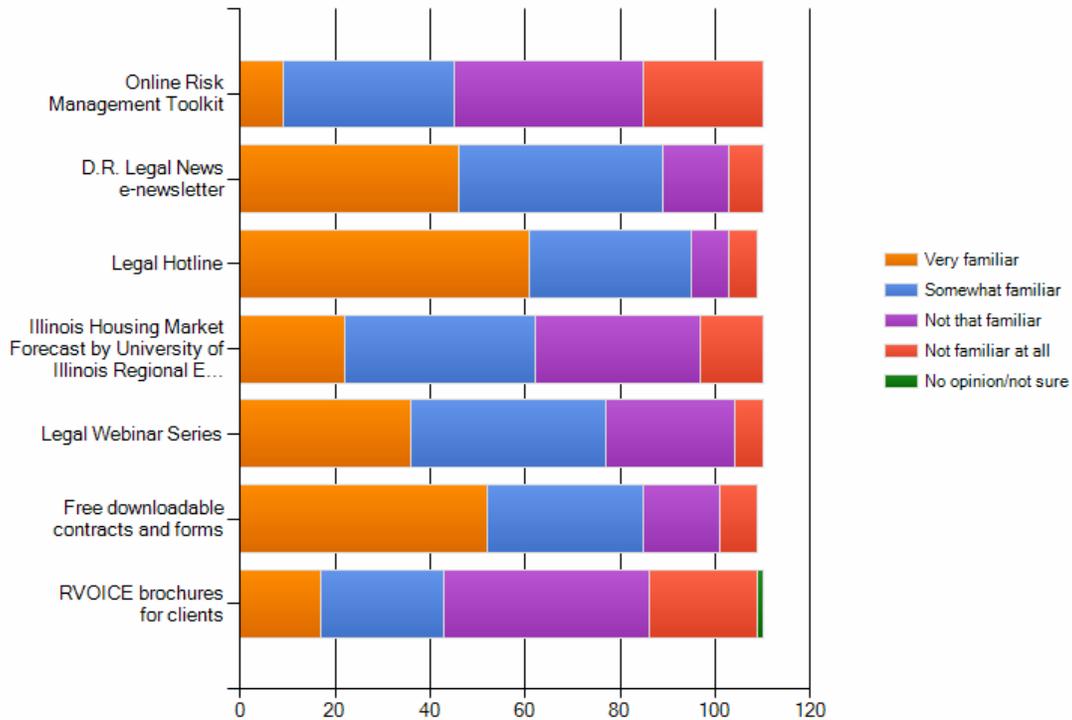
How do you rate the traffic in your region for prospective BUYERS?



Have you signed up for the free Broker Involvement Program from the National Association of REALTORS?
 (The program sends a Call for Action message from you to your agents when an issue is at stake in Congress that affects the real estate business.)



How familiar are you with the following IAR member benefits for the Managing Broker?

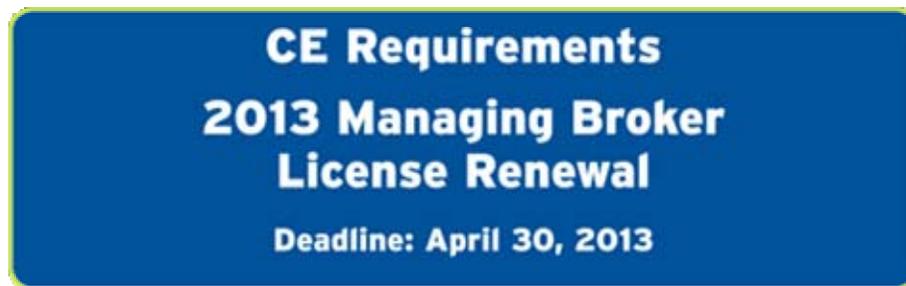


IAR Calendar

Find event details at <http://www.illinoisrealtor.org/events>

- January 7 - Professional Standards Workshop, Springfield
- January 8 - Professional Standards Workshop, Oakbrook Terrace
- January 14 - Instructor Course Development Workshop - Arlington Heights, Downers Grove and Springfield
- January 22-24 - IAR Public Policy Meetings, East Peoria
- April 15 – Illinois Housing Leaders Conference, Springfield
- April 16-19 - IAR Business Meetings, Springfield
- April 16 - Capitol Conference "REALTOR® Lobby Day", Springfield
- April 17 - REALTOR® of the Year Banquet, Springfield
- April 26 – Multicultural Summit: Opportunities in the Caribbean and South Africa, Oak Brook
- May 8-9 - IAR Spring Conference & Expo, Collinsville
- October 1-3 - IAR Fall Conference & Expo, St. Charles

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IAR is your trusted source for state-approved CE and Broker Management CE. Get license renewal requirements and course information at

<http://www.illinoisrealtor.org/education/ce>.