

Valley of the Sun Real Estate Update

June, 2005

What the heck is RESPA, anyway?

Last month we started looking at changes in the new version of the Arizona residential purchase contract. One of the most significant revisions has to do with RESPA, the Real Estate Settlement Procedures Act, which is a federal consumer-protection law first introduced by the Department of Housing & Urban Development in 1974. The old contract had a single paragraph dealing with RESPA issues, but the new one expands that to a full-page addendum.

In short, RESPA prohibits anyone involved in a real estate transaction from making money on the deal without disclosing what they did to earn that money. It is primarily concerned with the relationship between lenders and title companies, but covers all facets of a transaction. The expanded focus in the new contract is consistent with HUD's renewed emphasis on prosecuting RESPA violations—indeed, you may have heard about a major case in Colorado earlier this year involving a prominent national title company.

As you know, plenty of money changes hands in the course of a real estate deal, and purpose of RESPA is to ensure that consumers always know who is getting paid, and what they did to deserve it. The stereotypical violation (as in the Colorado case) is for one vendor to refer clients to a related company, which will charge an inflated fee to the client and kick back the overage to the first company. Clearly, this drives up the cost of a transaction and does a great disservice to the customer.

It is important to note that RESPA does not prohibit payments from one vendor to another; it just requires that any such payments be identified to the customer, and that the payments are for services actually performed. For instance, a lender (like Lucas Mortgage Funding) can pay me for advertising their services in my newsletter, but they can not pay me for simply referring a client to them. Similarly, a builder can also own a mort-

gage company and/or a title company, but each company must disclose to buyers what fees they charge, and what they do the earn those fees. The goal is to allow consumers to compare a variety of vendors in a free and competitive marketplace, and enable them to chose the provider that offers the best combination of price & service.

At ERA Lucas Realty Group, we pride ourselves on offering unparalleled service, and we have developed relationships with many other professionals who share our outlook. If you have questions about any aspect of the real estate marketplace, please feel free to give me a call. I will be happy to answer your question if I can, or to refer you to another vendor who has specific experience in your area of interest.

On the Home Front



It's been a busy month for us, driving to Durango for one wedding and then flying to Maine for another. The upside of all the travel is that we got a break from the early heat here in the Valley, and had lots of time to spend with family. Taran has been a very popular little boy, with all the aunts & uncles & cousins cooing over him. He especially liked meeting his 98-year-old great-grandmother!



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Recipe of the Month

Sea Scallops in Sweet Chile Sauce

This is yet another recipe from the *AZ Republic's* Wednesday food section, adapted from "Martin Yan Quick and Easy." As the title makes it sound, this is a pretty simple Asian-inspired dish to prepare, and it makes a great impression on the plate. It was pretty popular at a recent dinner party, so give it a try.

- 2 Tablespoons fresh lime juice
- 1 Tablespoon fish sauce
- 1 teaspoon grated ginger
- 1 pound sea scallops
- 2 Tablespoons vegetable oil
- ½ cup sweet chile sauce
- 4 Tablespoons chicken broth
- ¼ cup chopped fresh cilantro

1. Combine lime juice, fish sauce, and ginger in a medium bowl, mixing well. Add the scallops, stirring to coat evenly. Let stand for 10 minutes, then drain and pat dry with paper towels.

2. Heat a large non-stick skillet over medium-high heat, then add the oil and swirl to cover the entire pan. When the oil is hot, add the scallops and pan-fry until golden-brown, about 2 minutes on each side.

3. Meanwhile, combine sweet chile sauce and broth in a small saucepan. Simmer over medium-high heat until the sauce thickens slightly, about 2 minutes. Transfer scallops to a serving plate, drizzle with the chile sauce, and garnish with cilantro or other fresh herbs.

The recipe makes 2-3 portions. Serve with rice and fresh vegetables, and a crisp white wine.

Tips: Don't marinate for more than 10 minutes, as the acidic lime juice will start to "cook" the scallops, making them mushy when heated. Also, note that you want Asian-style sweet chile sauce, not Mexican-style hot chile sauce.

Culture Corner

Quick reviews of some recent favorites

Movies: Check out **The Station Agent**, a quirky character study. Three central figures are all struggling to find their place in the world, literally and figuratively. Their interactions acquire greater significance as the simple and slow-paced plot develops, and that leisurely attitude allows you to enjoy the subtle performances.

Books: Another Neal Stephenson story recommended by a friend, **Snow Crash** is a great read. In a near-future cyberpunk setting, our hero negotiates the deadly threats in both the real world and its virtual counterpart. Despite the noir flavor, it's a surprisingly funny story that also manages to comment on the nature of self-awareness and the many layers of human relationships.

Food: We found a great place on our way to Maine, just outside Logan Airport in Boston. It's part of a small chain called **Naked Fish**, which offers a Cuban-themed menu featuring simple & elegant seafood dishes, as well as more complex fish & meat plates. The food & ambiance were both a real pleasure, so don't be surprised if you see one of these restaurants opening up near you.



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