

Win Big with REALTORS® Easy Money

Still haven't visited PAR's new web site? We want to make sure you know all about the great resources there, so we're offering prizes to PAR members just for visiting the site at www.parealtor.org.

Each week between September 1 and 22, PAR is giving away random prizes to site visitors - prizes like Visa gift cards, phone cards, music downloads and photo prints.

Grand prize winners will take home a Canon digital camera with 500 photo prints, a 30 GB iPod and a \$500 credit for business promotional items with Axis Promotions.

Visit the PAR web site today and win. It's easy. Register at www.parealtor.org.

Promotion Rules/Regulations:

- ✓ Must be a member of the PA Association of REALTORS® to play and to be eligible to win. Family members and employees of PAR are not eligible.

One entry per contest only.

- ✓ No purchase necessary to win. First and second tier winners will be notified via e-mail. Grand prize winners will be announced on the PAR home page and in *The Pennsylvania REALTOR®*.

Sales Lost Over Flood Zone Changes

BY ERIN SWISS

Some real estate deals are being drastically affected in the southeastern part of the state, thanks to changes in FEMA flood zone maps.

The changes in Chester County have already impacted several settlements, according to Suburban REALTORS® Alliance President/CEO Jamie Ridge.

"I've heard of several deals falling off the table because the flood insurance made the homes unaffordable," Ridge says. "The new flood zones can have a big impact on the required flood insurance. REALTORS® should be aware of this. The updated maps may not be available on the FEMA web site but they should be available through local township officials."

Nationwide, flood zone maps are being updated by the Federal Emergency Management Agency (FEMA) through 2010. The maps are used to identify properties within a particular flood zone.

Many of the government's flood insurance rate maps

(FIRMS) have become obsolete over the years due to urban growth, changes to river flows and coastlines and flood mitigation efforts like drainage systems and levees.

These maps provide essential emerging flood risk information to property owners and determine rates for flood insurance coverage.

REALTORS® with clients considering purchasing homes in a flood zone will need to know whether a property is in a low- to moderate or high-risk area. Homeowners and REALTORS® may find the newly revised high-risk areas to be an issue they need to address

REALTORS® in southeastern Pennsylvania should contact Suburban REALTORS® Alliance at sra@suburbanrealtorsalliance.com with questions.

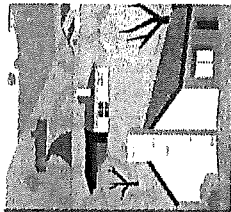
FEMA's Consumer Site: www.floodsmart.gov

FEMA's Customer Service Hotline: 877-FEMA MAP or 877-326-2627

CONT. PAGE 11

CONTINUED FROM PAGE 1

Sales Lost Over Flood Zone Changes



before getting to the settlement table. The recent changes may affect communities and resources that are available to clients if there is a change in the zoning of a property.

Flood zone map changes have taken effect in Chester and Philadelphia counties. The changes have presented new challenges for REALTORS® in areas where properties have been reclassified, altering a property's status as high-risk or low- to moderate-risk.

Property owners who apply for federally backed loans will have searches conducted on their properties. The search determines whether the properties are located in special risk areas. If flood zone risk is present, borrowers will be notified. The lender must require flood insurance within 45 days of the time the change was reported.

Homeowners' insurance policies do not cover flooding but flood insurance may be purchased separately. Flood insurance premiums vary, depending on the date the building was constructed and the degree of risk for flooding. If a property is located in a low- or moderate-risk area, a flood policy can cost just more than \$100 a year. In the most high-risk areas, the cost of insurance can range from \$500 to more than \$2,500. To get an exact quote, contact an insurance agent. It is important to advise clients to get several estimates, as the cost of insurance can vary depending on the provider. ▼

Erin Smith is the government affairs manager of the Suburban REALTORS® Alliance.

PAR Clears State Budget Hurdle

BY JENNIFER SHOCKLEY

The "battle of the budget" left many legislators and interest groups alike battered and bruised after the grueling process was over in mid-July. PAR, however, emerged victorious after defeating not just one but three legislative proposals that would have affected the realty transfer tax (RTT).

The first was the proposed state and local RTT increase to fund mass transportation in Pennsylvania. After months of lobbying and grassroots action, PAR was able to remove any RTT increase from consideration. The bill, as signed into law, will provide an average of \$946 million a year over the next decade to fund investments in Pennsylvania's bridges, roads and mass transit systems.

The second proposal, and what became one of the more contentious parts of the budget plan, centered on dedicated funding for the Hazardous Sites Cleanup Fund (HSCF). Legislation was introduced to divert \$40 million a year from the RTT, currently allocated to the Keystone Recreation, Park and Conservation Fund, into the HSCF. Various environmental groups that receive an allocation from the Key '93 Fund

expressed concern over the reduction in funding they would have received through the legislation. PAR spoke out against diverting RTT revenue because it is an unstable source of funding and that such allocation should be provided through the General Fund. Consideration of the proposal was postponed until the fall.

The third measure would have imposed a county RTT at a rate of 1 percent in Second Class Counties (Allegheny) only. The bill was scheduled for consideration in the House Urban Affairs Committee, however, in a joint effort by PAR, REALTORS® Association of Metropolitan Pittsburgh, Builders Association and Pittsburgh Building Association, the message was heard about the negative effect that the proposal could have on the local housing markets. The bill was pulled from consideration.

While PAR cleared the budget hurdle with no increases in the RTT, the association remains on guard for potential tapping of the fund once the legislature returns in the fall. Some topics on the agenda for consideration, which could spur talk of an RTT increase, include property tax reform, funding of the HSC and an energy policy. ▼