**Drive With NAR: The REALTOR® to REALTOR® Series**

**Helping Buyers Who Have Settlement Questions**

[00:00:00] **MARKI LEMONS RYAHL:** Some of your clients may be more affected than others by the changes coming to the real estate industry due to NAR's settlement agreement. They don't

[00:00:10] **DALLISON (2):** have the cash to put down, they don't have a house to sell, they don't have equity already built up.

[00:00:15] **MARKI LEMONS RYAHL:** Low income and first time buyers, for example, may struggle with the prospect of having to compensate their agent out of pocket.

This is why consumers need you to advocate for them in the real estate transaction more than ever before.

[00:00:32] **DAVID:** The more they know, the more educated they can be, the better the process will be.

[00:00:36] **MARKI LEMONS RYAHL:** You're listening to a special episode of Drive with NAR, the REALTOR to REALTOR series powered by REALTOR magazine.

Listen as real estate professionals discuss the facts about the NAR's settlement agreement and how to work with homebuyers and sellers to communicate their value. Find FAQs, videos, and tools to understand the settlement at facts. com. And follow the latest news at magazine dot realtor. I'm Markie Lemons Rowell and we're going to talk about our most vulnerable consumers that we serve as real estate professionals and how we can protect them.

them during this time of change in the real estate industry. Let me start with Dallesen Veatch, owner and principal broker of Veatch Realty Group in Springfield, Virginia. Dallesen, I know you work with low income buyers. Can you talk about the issues that are surfacing for them and what are you doing to help them?

[00:01:44] **DALLISON:** I work with all ranges of buyers, but the First time homebuyers and the low income homebuyers are the ones that I feel are going to be impacted the most. It is very hard, especially in our market, which is a high dollar value market, to enter into the market. And when you are entering into the market, you're very strapped for cash.

A lot of my homebuyers are using programs such as VHDA, which is the Virginia arm of HUD. And they're strapped for cash and they're putting very little money down. They don't have the cash to put down. They don't have a house to sell. They don't have equity already built up. So we're having to struggle to find other sources of revenue or money for them to be able to put down payments.

[00:02:32] **MARKI LEMONS RYAHL:** This past Saturday, I had lunch with my son and he was talking about all the different down payment assistance programs that are being exhausted right now. And as we were sitting having lunch, a lender came in and the lender told us about a program. Additional down payment resources, actually 35, 000 plus that bank has a CRA Community Reinvestment Act program with 15, 000 that can never be exhausted.

And my son, he instantly lit up because he was like, Oh, I'm going to find buyers that can use that 15, 000. Downpayment resource. com is also a resource that we can all use. that gives us all the different grant programs that are available across the U. S. to help those, uh, low income or buyers who need additional funds to be able to purchase today.

I'm going to bring in Brandon Martins, broker owner of Better Homes and Gardens Real Estate Beyond in Sioux Falls, South Dakota. Brandon, you serve military veterans in your area. And there's some recent news that helps VA buyers and their agents continue to meet their real estate goals under NAR's proposed settlement agreement.

Tell us about that and how this is impacting your clients transactions.

[00:03:59] **BRANDON:** You know, Marky, it's an amazing time to be able to talk about this because since the settlement came to be, uh, there was that big cloud looming over that VA buyer. Um, if they were going to be able to still participate in the transaction, if the seller was not willing to cooperate, uh, through that compensation piece.

And so basically the news that released talks about the ban being lifted on a VA buyer, not being able to pay for that buyer's agent. So this is a huge win for that VA community to be able to Still get representation, get those boots on the ground when they're coming from wherever they're stationed to that new location and looking for that next place to call home.

You know

[00:04:37] **MARKI LEMONS RYAHL:** what, Brandon, this actually expands all of the opportunities because when you think about our advocacy returning from RLM Realtor Legislative Meetings, we can now expand a housing opportunity that did not exist before. Because veterans or those obtaining a VA loan can now compensate their agent.

[00:05:00] **BRANDON:** A hundred percent. I will tell you what I've been doing this quite a few years and going to Washington, DC for our realtor legislative meetings and to be able to watch, truly, truly watch the impact. That happened, uh, in May in DC of 2024. It was fantastic to watch, um, to watch the realtors have the conversations that they were having with their members of Congress.

I personally had one, I'm the federal political coordinator for one of the senators of South Dakota. And when the conversation was had with him and the rest of our delegation, He said, don't worry, we're going to work on something and we're going to get this fixed because our VA buyers, the active duty and the veterans need to be served and they need to be able to be represented.

And so it was fun to be part of that process and watch that advocacy and lobby and actually happen for the true good of people that have served our country.

[00:05:52] **MARKI LEMONS RYAHL:** And what I'm thinking, the only way for us to navigate that is that. When we're working with a veteran, that means that we will have to have a conversation every time that we schedule a showing appointment with that listing agent.

One, two would be leveraging showing time to start the conversation when we schedule the appointment to end the conversation. Ask if they are or have co operating compensation available. It might not be on the MLS, but it doesn't mean that we can't make that request leveraging show on time before we actually show that property.

So we want to think about leveraging technology to have that conversation before scheduling that appointment to, um, Ensure that some form of compensation is available. First time buyers also have particular concerns. Let me bring in David Kent, president of the Real Buyers Agent in Mount Pleasant, South Carolina, who has built his business as an exclusive David, what kind of conversations are you having with first time homebuyers right now, and how are you doubling down on your value as a buyer's agent?

[00:07:10] **DAVID:** I think what we try to do is we have an initial conversation with them because we have to understand, What the client's objective is and a first time home buyer needs to understand the whole process as the risks are involved, we need to make sure they have a good lender that can work with them because our job as a buyer's agent is to provide that client all the information they need to know.

That they didn't know they needed to know. And so the more they know, the more educated they can be, the better the process will be. And so it may be that we have to look a little further out from where they're looking, or we need to change their housing parameters. But there's a lot of ways to move the needle up and down.

And our clients have to be involved in that and make sure that's okay with them. Because if they come to the conversation and there, and there's one house on the market, and it's a very competitive market. Okay. It's going to be a challenge for them, but if they come there and we can find there's an ample supply, then, you know, then they have a lot more leverage in the market.

[00:08:09] **MARKI LEMONS RYAHL:** So we're talking about some of the most vulnerable consumers in the real estate market, which bring advocacy to mind. Can each of you talk about why advocacy is so important right now for these consumers, Dallas and.

[00:08:25] **DALLISON:** So I'm going to tell you a little story about a first time homebuyer that I just helped that she just closed a couple of weeks ago.

She was a veteran and at the last moment, We had originally had her approved for a VA loan and she lost eligibility. They denied her a certificate of eligibility, but in the meantime, I had already gotten her ratified with a contract on a, a small condo here in the area, affordable condo, and. I went out and found this little golden nugget of a home for her, and I didn't want her to lose the opportunity to purchase this home.

The home was perfect. We were able to negotiate a home inspection. We had a finance contingency, so I didn't want her to lose this opportunity. So I ended up having to go and scramble and find a lender that could help her. We tried with the original lender to do FHA. We got denied with the FHA loan because the condo association had too many FHA loans in that building.

We ended up finding a loan program and finding a grant for her through another lender. So we ended up finding a 15, 000 grant that paid for her down payment. She has a home now, so I'm so proud of that. And I think that that speaks volumes to how we advocate for our clients.

[00:09:43] **MARKI LEMONS RYAHL:** Also, I want every real estate professional to keep in mind that every lender has overlays to Fannie Mae and Freddie Mac and even FHA programs.

Now is the time for us to pick up the telephone to call those lenders to see what those overlays are and identify those with the least amount of money. of overlays. Brandon, how are you leveraging advocacy?

[00:10:10] **BRANDON:** You know, Dallas and brings up really good points with, and you did with, with your conversation with your son.

And when you look at the ways that those programs are out there, it's our job as real estate professionals to be able to. Do that duty. Uh, we can step up for our clients. We can help them through that process. We can find those programs. That's what we do. That's who we are. And I think that if we continue to focus on those positive things, focus on that value that we have always brought to the transaction and leverage it in ways we never had before, we're going to be able to assist those people like never before.

Uh, when I think about those VA buyers, that's, that's a big deal. First time buyers, first generation buyers. Uh, we've got people that are entering this market every day. That are that foundation that helped the properties all the way up the stream continue to sell, because if that first one doesn't sell, we don't have buyers for that.

Neither did the next, neither the next. And that is what we need to focus on. We need to focus on what we're doing both locally and how we're helping our clients in the process. And then also what we're doing legislatively and making sure that we're having a seat at that table. And that's an important part of what we do.

[00:11:12] **MARKI LEMONS RYAHL:** David, how are you leveraging advocacy?

[00:11:15] **DAVID:** My background is in construction. So I know, especially with first time home buyers, they are not going to be in our marketplace, not be able to compete against the shiny new updated products. So I need to help them see what could. It could be if you paint the walls or if you change the flooring out or you change the countertop out, and this may be over time, they may not have the cash to do it, but, you know, try to put together a plan for them so they can achieve what they want, hopefully build some, some equity as they do that, but also talk about during the inspection, some of the items, the, the big ticket items that may be getting towards the end of their lifespan and be prepared for that.

So, for example, If their HVAC system is getting towards into the life or the roof is getting towards into this lifespan, understand that because all these things for a first time home buyer are a cash item and they need to understand what's going to happen down the road and be prepared for it. So I think a lot of that is just understanding what you're buying into and the risks that are, that come with it.

[00:12:17] **MARKI LEMONS RYAHL:** Now, David, I know in your introduction, I stated that you exclusively work with buyers, but I don't know if everyone in our listening audience understands that your brokerage does not represent sellers. You are an exclusive buyer representative brokerage. And so what made you do something totally different?

And unique in your marketplace.

[00:12:44] **DAVID:** Prior to 1995, I was, I was building houses, but I was having, I had a real estate company that supported my building company and I was having my friends and family and asked me to help them buy a home because they knew that I understood land development, they understood.

Construction and no one was representing buyers at the time and buyer agency was very in the emphasy stage and I decided at that point that I wanted to do just work with buyers. I love working with buyers. I love helping them out, guiding through the process, you know, explaining that it's a journey because you may start off in one direction and you'll go to another direction.

You may go to another direction, just be supportive the whole time and understand my job is to provide advice and counsel. I'm not trying to talk them into buying anything. All I do is here's the, here's the way I see it. And if it works for you, let's try to make it happen. But you want to probably buy the right house at the right price and the right condition, because those things, all things have to come together.

[00:13:38] **MARKI LEMONS RYAHL:** The reason I wanted to highlight that is because you navigated not taking listens through the foreclosure crisis. And through the pandemic, something that comes to mind and all this research we've seen is that consumers aren't familiar with and don't know where to find housing assistance programs. By extension, that means their agents aren't familiar either.

Do you think housing assistant programs become more important for consumers now, and how can we raise awareness of them?

[00:14:12] **DAVID:** Absolutely. Uh, I think any way that a buyer can, can bring in some other resources to the trend, to the offer, because you've, you may be up against two or three other offers, and you've got to find a way to make your offer, Stand out in any way that you can bring in assistance.

Um, that may make your offer a little better than someone else's. Absolutely. We need to, we need to do that for our clients.

[00:14:36] **MARKI LEMONS RYAHL:** What about you, Dallas?

[00:14:38] **DALLISON (2):** Well, we have a historically low inventory, right? In this country and in our area in particular, it's crazy. I mean, we're, we're having a really hard time competing.

When it's a first time home buyer or somebody that is low on cash proceeds. So the only way that we can compete is by going out and finding those programs to help them with some down payment assistance. I mean, it's crucial. That's really, literally the only way. And then, uh, Like David was saying, sometimes you can't go after the bright, shiny objects.

Sometimes you have to go over, you have to go with a home that maybe needs a little bit of improvement, maybe not being completely rebuilt, but you know, a little bit of paint, some new flooring, new appliances, things like that. And I'm always there to help my clients do that and navigate those waters as well.

And maybe look at the ones that others have overlooked in order to get your foot in the door to your, to your first home.

[00:15:36] **BRANDON:** Yeah, I think the biggest thing is, like they've said, um, you know, it's, it's making sure we know what those programs are. And yeah, Mark, you're 100 percent right. There are people that are in the business that don't know what those are.

Um, I think that it comes down to us doing our job and making sure that we're helping strengthen the whole downpaymentresource. com is a great source for that, as well as just reaching out to your local municipality and see if they have any community development programs or anything along those lines that may not be listed there.

There's funds that, that lenders have, there's all kinds of programs out there. And I think if we just aren't afraid to ask the questions, which I think one of the unintended positives. I guess we'll call it from this lawsuit is the fact that we're all going to have to talk a little bit more. And so I think that part of that is, is we're going to get on the phone.

We have to answer our darn phone and continue to have conversations and be able to help each other through the process. And so with that, if you want an unintended positive, there you go.

[00:16:31] **MARKI LEMONS RYAHL:** I had the opportunity to attend Broker Summit, and there was a speaker who talked about leveraging your SEP IRA and your Roth IRA as down payment.

Now, mind you, because we're self employed people, I have both. Instantly, I said, Oh, no, I don't need to attend this session. And Robert Morris said, no, Marky, sit down. So I sat back down and within three minutes, you could see my mind. He was like, Marky, what's going on? I said, I had never thought about leveraging myself and my Roth IRA.

I can fund my own purchases, right? I can actually buy the whole property. And so I pulled out my sheet of paper. I leaned in. And the reason I'm saying that is people can use their retirement fund and. Order to purchase real estate. Now is the time for us to not scratch the surface. We have to go deep. We have to have those conversations.

We have to answer the telephone because. At the other end of the line, there are solutions to help consumers. Thank you for tuning in. Thank you for joining us at DRIVE with NAR, the REALTOR TO REALTOR series. Tune in every month to magazine. realtor forward slash drive or subscribe wherever you listen to your podcast.

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