

Spring 2011

Fall Meeting Highlights - Metro Relocation Summit



Delaware Valley Relocation Council (DVRC) joined forces last fall with the New Jersey Relocation Council (NJRC) and the New York City Organization of Relocation Professionals (NYCOPR) to present the Metro Relocation Summit, a combined meeting on November 17, 2010 at the Westin Princeton at Forrestal Village in Princeton, NJ. Nearly 300 relocation professionals attended. The theme of the meeting was "Of the People, By the People, For the People." Following are some highlights. Special thanks and recognition went out to Missy Gobrecht and Anne Cowburn for their unending efforts. Judging by our survey results, the meeting was a huge success! See below for details.

Opening Session - "A New Path for the People"

Keynote Speaker: Peggy Smith, CEO, Worldwide ERC©

ERC© President, Michael C. Washbourn, SCRP, GMS in introducing our Keynote Speaker noted that the day was an example of the collaborating partnership, bringing together Worldwide ERC© and the regional relationships, and encouraged attendees to take a moment to share and borrow from the collective brainpower in the room.

Peggy Smith joined Worldwide ERC© as its new CEO in May 2010. Prior to becoming CEO, Peggy served in the top tiers of leadership in Worldwide ERC©, including President and Chairman of the Board, as well as serving on numerous committees and task forces for the organization. Peggy looked forward in her presentation to a new future for ERC, noting that the changing landscape is within our own organizations, and within our industry. She discussed 3 strategic pillars as competitive analysis to define our industry. First is membership. ERC© must grow its corporate membership. Second, we must look at our products and services, with an eye toward certifications and conferences. The third pillar is the international realm, including looking at the mature versus emerging mobility markets, such as Africa, Latin American, China, Brazil, India and Eastern Europe.

Peggy discussed three guiding principles. The first is the need for positive ROI and fiscal discipline. Although ERC© is not a profit center, there is a need for a "rainy" day fund. There must also be relevance, and that has to be tied to a specific pillar. Finally, there must be local integration. Peggy gave the attendees a call to action. ERC© wants to hear our ideas!

Innovation is the key to future success. She then encouraged the professionals to utilize social media as a way to understand what is happening in the world. For example, follow leadership gurus. Be relevant! The number one job in the United States right now is Social Media Director. Global talent management and global mobility share the same cycle. Professionals are now consumed by being "talent management professionals" versus "relocation professionals." Relocation "purists" are less common today – one is more likely to be involved in the full life cycle – including sourcing, selecting, developing, engaging, retaining, etc. Peggy advised that 30% of companies have consolidated talent management activities under a single position. Globalization drives integration. As our mobile population increases, we must look to new ways of measuring human capital going forward. Rather than looking at employees as widgets, we need to look holistically at our entire human capital population. Engaged employees have a direct correlation to company value, income, sales, etc.

Another new policy incentive is how to track the trend toward policy customization and flexibility as transferees are looking for more control over their own move. "One side fits one" is being more prevalent, replacing cafeteria or tiered-style policies. The shift to "self selection" instead of "self service" needs to be met with a budget management can support. Corporations will need to become more strategic versus transactional. Peggy invites us to be a part of something special...Be a part of Worldwide ERC©.

Look for more information on our next Metro Relocation Summit being held on November 1 - 2, 2011!

****Metro Relocation Summit Highlights provided by NJRC!**


 Delaware Valley Relocation Council

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From the Closing Table.....credits for repairs? Not so fast

In a typical destination home purchase, the transferee will have a variety of tests and inspections done to determine the condition of the property and its systems. When these inspections reveal defects, it is common for the parties to negotiate a credit, in lieu of having the seller actually make the needed repairs. The agent or attorney then writes a contract addendum for the agreed amount and everything proceeds smoothly to closing, where our buyer gets the full credit on the HUD-1. But hold on, it may not be that easy.

Let's assume that our transferee is buying a \$400,000 home, and will be borrowing \$200,000 from an employer-preferred lender. Under the employer's relocation policy, all normal and customary closing costs will be paid at closing, through a direct bill credit.

The transferee's inspections of the property reveal about \$12,000 in various defects ranging from clogged gutters to faulty electrical wiring. The parties negotiate an \$8,000 credit to satisfy the home inspection issues and an addendum is signed reflecting this agreement.

As closing approaches, the lender reviews a preliminary HUD-1, showing the \$8,000 credit to the buyer. In this post-financial-crisis world, the lender insists that a credit is only permissible to cover the buyer's closing costs, and may not be shown as a credit for repairs. However, after applying the direct bill credit, our buyer has only \$2,750 of unreimbursed closing costs remaining. The lender will not allow a credit to exceed that \$2,750 amount.

At this point in the transaction, it is too late to actually complete the repairs. Exchanging the funds outside of closing would be committing fraud against the lender. Amending the contract to lower the sale price by the credit

amount would cause the loan to be sent back to underwriting, delaying the closing beyond the contractual deadline, putting the buyer in default under the terms of contract. Even if the seller agrees to continue with the transaction, however, the delay in the scheduled delivery of the buyer's household goods would result in additional storage costs.

The result: our transferee may have no choice but to close and lose the \$5,250 difference between the \$8,000 repair costs and the \$2,750 allowable credit, with no recourse against the seller.

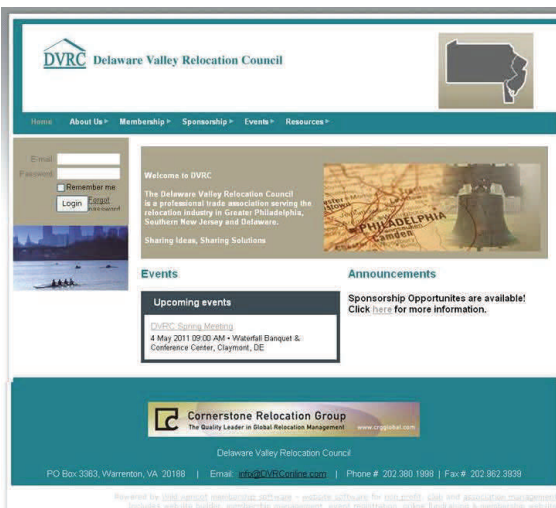
Relocation lenders report that often, the only viable solution in this situation is to have the seller actually complete the required repairs prior to closing or amend the sale price at the earliest stage, so that the loan can be underwritten in time to close on the scheduled date.

It is critical that all of us in the destination supply chain – counselor, agent, lender, and attorney – identify and address this issue early in the process, so as to maximize the value of the negotiations and the transferee's overall move experience.



John F. McGowan, Esq.
President, LCM Relo Solutions

New Web Site Launched



We are pleased to announce that we launched our new web site at the beginning of April and have hired the Collie Gorg Group to take over the web site administration and other duties related to sponsorship, membership renewals, notifications and more!

While your DVRC Board of Directors will always be available, you can call or email our administrator directly if you have any questions. Her name is **Christina Hartz** and she can be reached by calling **(202) 380-1998** or emailing her at **info@DVROnline.com**.

Because our site is still new, we are interested in your feedback. Please contact **Kim Rudolph - DVRC Director & Web Site Chairperson** if you have any questions or suggestions! She can be reached by email at **KRudolph@OnePointSolutions.net** or by calling **(267)238-5252**.

2011 Charitable Event



The American Red Cross of the Delmarva Peninsula is here to help YOU.



We can be reached 24 hours a day to help local families when disaster strikes and to help local military families communicate during emergencies. We teach our neighbors lifesaving skills such as first aid, CPR and water safety. We train you free of charge in disaster preparedness. We install Lifeline monitors to give you the confidence and freedom to live on your own. All this would not be possible without your valuable contributions of your talents, time and financial contributions. Thank you! For more than 100 years, the Red Cross has partnered with you, and we now serve 1 million people in nine counties in Delaware and the Eastern Shore of Maryland. Help us make your community one of the safest places to live, work and raise our families.

2011 DVRC Board of Directors

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DVRC Mission Statement

DVRC is an organization of relocation professionals from corporations and service providers throughout the tri-state area of Delaware, New Jersey and Pennsylvania. DVRC is dedicated to "sharing ideas and creating solutions" through networking that will promote equitable relocation policies and enhance professional relationships.

Our mission is to provide the resources of a premier forum for relocation professionals in the Greater Delaware Valley, to ensure members' success and keep them at the forefront of the relocation industry.

Conference Agenda

Registration: 9:00 am – 12:00 pm

Concurrent Pre-Conference Sessions: 10:00 am – 12:00 pm

- **Corporate Roundtable**
 - **Commercial Session:** Getting a seat at the table – how corporations choose suppliers. Relocation Career Seminar
-

12:00 Noon - 1:00 PM
Lunch and Networking

Session I: 1:00 – 2:00 pm

Where in the world are we going? A perspective from Corporate Senior Management.

Mark S. Kamon* - Vice President International/Carpenter Powder Products/Dynamet Inc.

Carpenter Technology Corporation

2:00 PM – 2:30 PM
Break

Session II: 2:30 – 4:00 pm

“Talent Management, Security and Agility – Tackling Mobility Needs for 2011 and Beyond”

We will feature a timely exchange of ideas around hot topics:

- Talent Management and Relocation provided by Maureen Potts, Director of Global Mobility Programs - GlaxoSmithKline
 - Health & Safety – What companies have had to consider with respect to natural disasters, terrorism and mobility presented by Renee Sprole, Vice-President - International SOS
 - Meeting the Challenges of Real Estate & Lending for Relocation – latest market data from the front lines from
Kate Vail, Coldwell Banker Preferred - Top Philadelphia Realtor
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Session III: 4:00 – 5:00 pm

“Cultural Differences: Make Them an Asset not a Barrier”

Catherine "Cass" Mercer Bing - CEO, ITAP International, Inc.

5:00 PM – 6:00 PM
Closing Reception

Networking opportunity with conference attendees and presenters