

## **Director's Report from NAR Meeting in Anaheim – Submitted by Dave Somers**

The NAR Board of Directors meeting at the end of the 2011 REALTORS® Conference & Expo in Anaheim on Monday voted to rescind a Multiple Listing Service policy on the display of Internet Data Exchange (IDX) listings on franchisors' Web sites.

A work group has been tasked to broaden the policy to address listing displays over mobile devices and via social media (with a broker opt-out option). Listing data sent via RSS (Really Simple syndication) won't be included because of the difficulty in controlling access to RSS feeds.

In other changes to MLS policy, directors took the following actions:

- **Sales price information.** Amended the Statement of MLS Policy and the implementing model MLS rules to allow MLSs to require reporting of sale prices by participants. In "non-disclosure states," if sale prices are provided by the MLS to government agencies and or third-party entities for uses other than those authorized in the amended Policy Statement, sellers may request that their sale price not be provided to such entities.
- **REOs.** Gave MLSs discretionary authority to require listing participants to disclose whether listed property is a foreclosure, bank-owned, or real estate-owned (REO).
- **Lockboxes.** Increased from \$200 to \$300 the maximum security deposit associations and MLSs can require for lockboxes.

**At the meeting, the Directors took actions on other areas of association business:**

### **Nominating Rules**

- Adopted a set of binding endorsement guidelines for members of the NAR Nominating Committee, alternates, and members of the Leadership Team to promote impartiality toward members running for association office
- Required that regions appoint an alternate representative as a non-voting member of the Nominating Committee to help ensure continuity on the committee.
- Established criteria for state or regional endorsements of candidates

### **Appraisal Policy**

- Sent a set of property valuation principles back to a workgroup to ensure they don't conflict with the NAR Code of Ethics. The principles would support independent valuations of real property. The Responsible Valuation Principles were developed by a workgroup of the Appraisal subcommittee and address the licensing of appraisers, coercion of appraisers to reach valuations, and compliance with the appraisal industry's Uniform Standards of Professional Appraisal Practice.
- Changed the structure of the Appraisal Committee to be a broader based Real Property Valuation Committee. Members of the reconstituted committee, which came out of a valuation summit held earlier this year, will provide recommendations on valuation-related issues and will be composed of appraisers, brokers, and members engaged in other real estate disciplines.

Code of Ethics and Professional Standards:

- The Delegate Body adopted language to implement discretionary authority for boards and associations to require their members mediate disputes that would be otherwise arbitrated.

- The board also adopted a new Standard of Practice 3.9 to prohibit REALTORS® from accessing or using, or permitting or enabling others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller.
- In the Delegate Body meeting, delegates changed the word “competitors” to “other real estate professionals” in a provision in Article 15 of the Code that prohibits the making of false or misleading statements about others.

### **Federal Policy**

- The board adopted a policy to oppose any efforts in the federal government to consolidate the operations of the U.S. Department of Housing and Urban Development and the U.S. Rural Housing Service. Under the policy, if the two agencies were consolidated, NAR would seek to ensure there’s no diminishment or disruption in programs.
- To help address what practitioners say is an increasing number of lawsuits against brokers alleging violation of Section 8 (anti-kickback) of the federal Real Estate Settlement Procedures Act (RESPA), NAR will create a group to examine the legislative, regulatory, administrative, and judicial terrain of RESPA and identify recommendations for changes.

### **Internal Business**

- The board amended the association’s investment statement for governing the management of its funds, including its new REALTOR® Party funds. Among other things, up to 50 percent of funds may be placed with an outside investment manager, up from 40 percent.
- The board also authorized NAR to purchase a 2012 Master Policy for the Professional Liability Insurance Program for itself, its affiliates, and state and local associations and their wholly owned MLSs and affiliates. The \$1.2 million premium is 14 percent lower than this year’s premium.
- The Delegate Body changed Article III, section 8, of the NAR Constitution to broaden the definition of an NAR international affiliate to “organization” from “association” to reflect that many international affiliates aren’t structured as associations.

### **State and Local Political Activism**

NAR will provide Issues Mobilization funding of \$332,140 to the Oregon Association of REALTORS® for the next phase of their Coordinated Campaign to pass a Constitutional ballot measure in 2012 to permanently prohibit real estate transfer taxes in Oregon.

#### **People**

The Nominating Committee announced its NAR leadership slate for 2013: Gary Thomas of Alison Viejo, Calif., for president; Steve Brown of Dayton, Ohio, for president-elect; Chris Polychron of Hot Springs, Ark., for first vice president; and Bill Armstrong, Damascus, Maryland, for treasurer.

The Nominating Committee also announced that three NAR members have filed for office of first vice president: Bill Brown of Oakland, Calif.; James Helsel of Camp Hill, Pa.; and Thomas F. Salomone of Coral Springs, Fla., and for treasurer, Michael C. McGrew of Lawrence, Kan.

The Distinguished Service Award went to Adorna Carroll of Realty Three Inc., in Berlin, Conn., and PeggyAnn McConnochie of ACH Consulting in Juneau, Alaska. They’re the 79th and 80th recipients of the DSA Award, respectively.

The William R Magel Award went to Gary Clayton, CEO of Illinois Association of REALTORS®.

## **REALTOR.com**

REALTOR.com President Errol Samuelson gave a report on NAR's official consumer marketing site. The site now incorporates an international site on which U.S. property listings are made available to home buyers in other countries and automatically translated into 11 other languages. He also talked about changes to the site to bring listings and other information to consumers via mobile devices.

Past NAR President Cathy Whatley, who represents NAR on the board of REALTOR.com operator Move Inc., cautioned NAR members against surrendering too much of their data to data aggregators, such as Trulia and Zillow, that can't be counted on to protect their interests.

## **REALTOR® University**

REALTOR® University Board of Regents Chairman Richard Rosenthal of Riverside, Calif., said the university is on track to receive accreditation by the State of Illinois and expects to roll out its first academic program in March 2012. Just under 300 people have submitted an expression of interest to begin studies at the university, far more than the 40 that NAR originally budgeted for. Rosenthal said the university is ready to handle 150 students.

The university's scholarship program has gotten off to a great start as well. State and local associations have pledged more than \$250,000 to fund scholarships for students. NAR will be matching the money, bringing the total to more than \$500,000. "This will ensure the brightest and best in the industry are encouraged to come to REALTOR® University," Rosenthal said.