

Highlights from the NAR Director's Meeting – May 24, 2013

Board OKs Public-Facing MLS Sites as 'Basic' Services

The Board of Directors, at its May 18 meeting, on the last day of the 2013 NAR Midyear Legislative Meetings & Trade Expo in Washington, approved a modification to MLS Policy Statement 7.57 to provide additional guidance on the categorization of programs, products, and services as "core," "basic," or "optional" services.

The new policy will allow MLSs to categorize the establishment, maintenance, and promotion of public-facing websites as a basic MLS service. The decision to include public-facing websites as a "basic" service came after extensive debate over whether more time is needed to study the issue, but after a 341 to 275 vote against that idea, the modification was passed.

As part of the modification, MLSs can't change any services they now offer as "optional," such as lockboxes or advertising programs, into "basic" services if they or their shareholders receive an economic benefit from the service.

On another matter, involving realtor.com, the Board expressed a commitment to enhancing and broadening the user experience of realtor.com in response to evolving consumer needs and expectations and authorized the Leadership Team to work with realtor.com to develop recommendations for achieving this goal. The Board will convene in closed session in mid-July to review the recommendations that are developed.

Realtor.com president Errol Samuelson, in his report to the board, said the site has the most accurate data of all national real estate data aggregation sites but restrictions in its operating agreement with the REALTORS® Information Network (RIN) prevent it from providing the comprehensiveness of data that the other sites provide. Among other things, the site doesn't include FSBOs and in some markets doesn't provide as many rental and new-homes as are on the market. "We need your help to make sure the site is not just accurate but comprehensive," Samuelson said. RIN is NAR's wholly owned affiliate through which it oversees its investment in realtor.com.

In other action, the Board gave the Public Advocacy Campaign a new name—the Consumer Advertising Campaign—to better describe the campaign and reduce confusion with NAR's other public advocacy efforts and it approved the continuation of the program in 2014, 2015, and 2016. The Board also approved continuing the \$35 special assessment to pay for the campaign over the next three years.

The Board took actions in a number of other areas of association policy.

Association Budget

The Board left the annual dues at \$120. The amount includes the \$40 set-aside for REALTOR® Party advocacy activities. The association has annual revenue of \$152 million plus \$8 million in REALTOR® Party reserves. For 2014-2016 budgeting purposes, the association is assuming a membership of 1,010,000.

GRI Designation

It also approved a Professional Development Committee recommendation to reduce from 90 to 60 hours the time commitment for earning a GRI designation. The goal is to make the designation more

realistic given real estate practitioners' time constraints and adjust to the expectations of younger practitioners. The Executive Committee had sought to delay the reduction to allow time for a more thorough review, but the amendment to delay was voted down.

Professional Standards

In the area of professional standards, the Board amended the NAR Code of Ethics and Arbitration Manual to—

- Make clear that ethics complainants must be individuals (and not corporations or other business entities), and that complaints cannot be brought in the name(s) of third parties.
- Clarify that the role of grievance committees is limited to determining whether a complaint should be heard by a Professional Standards panel and to limit their review of material to make that determination.
- Let hearing panels include information about a member's prior violations.
- Let associations offer mediation services when a dispute is non-arbitrable.
- Improve consistency in the charging of administrative processing fees by requiring associations to determine in advance whether, and under what circumstances, they'll impose the fees.
- Raise maximum fees for violations of the Code to \$15,000 from \$5,000, the same maximum fine that MLSs may impose.
- Expand the scope of Standard of Practice 3-2, which interprets Article 3, to make it unethical to unilaterally attempt to modify offered compensation after an offer to purchase has been submitted to the listing broker.

2014 NAR Officers

The Board elected for its 2014 officers the following members:

Chris Polychron, Hot Springs, Ark., President-Elect

Tom Salomone, Coral Springs, Fla., First Vice President

Mike McGrew, Lawrence, Kans., Treasurer

Steve Brown of Dayton, Ohio, automatically moves up as president from his position as 2013 President-Elect.

The First Vice President seat was contested. Salomone won the seat by a vote of 344 to 337 against Jim Hesel of Camp Hill, Pa., a former NAR Treasurer.

Membership

The Board approved a new academic membership category to help the association increase its involvement in real estate studies and bring in those with an academic interest in real estate. The Board also amended the criteria for becoming a REALTOR® Emeritus by requiring at least one year of national service. It also eliminated a little-needed membership category for those who don't have access to a state-chartered association and association staff. All of these changes to membership categories must be approved by the NAR Delegate Body in November. Also, dues for a student membership category that was adopted last year were set at \$25.

Legal

It approved \$135,000 to help a local MLS take action against copyright infringement of its listings, and it gave conditional approval to make \$5,000 available to a local board to fight an ordinance requiring

licensees to provide zoning information to their customers. The committee leadership wants to be sure the issue is a significant one for practitioners.

State and Local Issues

- The Board adopted a policy taking a stand against the imposition of state and local sales tax to rents and real estate services and other professional services, including real estate broker commissions, title searches, appraisals, home inspections, and property management services, among others.
- Approved Issues Mobilization funding of \$794,400.00 to the Nevada Association of REALTORS® and the Greater Las Vegas Association of REALTORS® to support their campaign against the use of eminent domain by local governments to seize performing "underwater" mortgages.

Committees

The Board also made minor changes to some of its committees, including adding a requirement that members of the Taxation Committee have an ALC, GRI, CCIM, CRE, or SIOR designation, because the curricula for those designations provide a useful perspective on tax issues.

Distinguished Service Award

The Board was introduced to the 2013 Distinguished Service Award recipients, who will be formally recognized in November at the NAR annual meeting in San Francisco. The new DSAs are Mary Francis Burleson of Dallas and Marbury Little of Metairie, La.