

**2009 NAR Midyear Meetings**  
Washington, D.C., May 11-16, 2009

**Summary of Director Actions**

Prepared by Don Freels, OAR CEO

The NAR Board of Directors met in Washington, D.C. on Saturday, May 16, 2009 at the close of the Midyear Meetings. Following is a summary of actions taken at that meeting.

**I. ACTIONS OF THE NAR BOARD OF DIRECTORS**

**A. Election of 2010 Officers/Regional Vice Presidents.**

Directors elected the following 2008 officers:

- Vicki Cox Golder** of Tucson, Arizona; 2010 President
- Ron Phipps** of Warwick, Rhode Island; 2010 President-elect
- Maurice (“Moe”) Veissi** of South Miami, Florida; 2010 First Vice President
- James Helsel, Jr.**, of Lemoyne, Pennsylvania; 2010 Treasurer
- Darlene Breen** of Dayton, Ohio; 2010 Region 6 Vice President (Ohio & Michigan)

*Staff Commentary:* None

**B. Real Property Operations Committee Motion**

1. Fair Housing Monument

Directors approved support of legislation that would authorize and direct the development of a monument commemorating the Federal Fair Housing Act and the 40<sup>th</sup> Anniversary of its enactment, to be erected on National Park Service land adjacent to the NAR building in Washington, D.C.

*Staff Commentary:* None

**C. Finance Committee Motions.**

1. 2010 Dues/Assessment

Directors voted to maintain REALTOR<sup>®</sup> membership dues at \$80 and the public awareness assessment at \$35 in 2010.

*Staff Commentary*

The 2010 Operating Budget approved by the Directors has a deficit of \$4,346,970, which will be funded from available reserves.

**D. Multiple Listing Issues & Policies Committee Motion**

1. Short Sale Commission Reductions.

Directors approved a change in MLS policy giving local MLSs the discretion to permit Participants to communicate to each other how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving a short sale, will be apportioned between listing and cooperating Participants.

*Staff Commentary:* None

2. Short Sale definition

Directors approved adding the following definition of a short sale to the Handbook on MLS Policy: “a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies.”

*Staff Commentary:* None

3. RETS Compliance

Directors voted to extend the RETS compliance deadline to December 31, 2009.

*Staff Commentary:* None.

4. Indexing of IDX Sites by Search Engines

A motion to authorize search engine indexing of IDX sites was referred back to the MLS Committee for further study.

*Staff Commentary:* None.

**E. Professional Standards Committee Motions**

1. False and Misleading Statements

Directors approved an amendment to Standard of Practice 15-2 and approved a new Standard of Practice related to Article 15 of the Code of Ethics which serve to strengthen members’ obligations to refrain from making false or misleading statements about competitors, including in use of social media tools.

*Staff Commentary:*

The new Standard of Practice establishes an affirmative duty to clarify or remove statements posted on electronic media the REALTOR controls once the REALTOR knows that the statement is false or misleading.

2. Land Brokerage

Directors approved an amendment to Article 11 of the Code of Ethics clarifying that land brokerage is among the specialties that members should refrain from practicing without appropriate training.

*Staff Commentary:*

This change is subject to approval by the Delegate Body at the Convention in November.

3. Changes in Compensation Offered to Cooperating Brokers  
Directors amended Standard of Practice 3-2 to clarify that any change in the compensation being offered to a cooperating REALTOR must be communicated to the cooperating REALTOR before the REALTOR submits an offer to purchase or lease the property.

*Staff Commentary:* None

4. Brokerage Contracts  
Directors amended Standard of Practice 16-20 to clarify that if a REALTOR's relationship with his or her brokerage is terminated, he or she can't take any action to induce clients to cancel exclusive contractual agreements with the brokerage, regardless of who terminates the relationship.

*Staff Commentary:* None

#### **F. Legal Action Committee Motion**

1. Funding Approved.  
Directors approved total funding assistance in the amount of \$72,114 in connection with three of seven cases for which funding requests were submitted.

*Staff Commentary:* None.

2. Reimbursement of Expenses in Justice Department Litigation  
Directors approved payment of \$187,069 to 33 MLSs, local associations and REALTOR firms as reimbursement of attorney's fees and disbursements incurred in connection with responding to subpoenas served on them in connection with U.S. v. NAR.

*Staff Commentary:* None

#### **G. Appraisal Committee Motion**

1. Regulation of Appraisal Management Companies  
Directors voted to support the empowerment of federal mortgage regulators to adopt standards for real estate appraisal management companies and promulgate licensing requirements of such companies to the states through the Financial Institutions Reform and Recovery Enforcement Act (FIRREA) and other similar legislation.

*Staff Commentary:*

The purpose of this action is to ensure that appraisal management companies operate within the same standards as independent appraisers.

#### **H. Business Issues Committee Motion**

1. Enforceability of Pre-Dispute Agreements  
Directors voted to oppose federal legislation that would eliminate the enforceability of arbitration and other pre-litigation dispute resolution methods in connection with real estate matters.

*Staff Commentary:* None

**I. Federal Housing Policy Committee Motion**

1. Due-on-Sale Clause

Directors voted to support eliminating the “due-on-sale” clause for FHA and VA loans for the purpose of reinstating assumable loans.

*Staff Commentary:* None

**II. Launch of NAR Federal Credit Union**

An official ribbon-cutting ceremony was conducted in connection with launching the REALTORS Federal Credit Union. It was announced that the credit union is now open for business and that it has made its first loan to a REALTOR member.

Note: This report is not intended to be inclusive of all business conducted at the Board of Directors meeting. The summaries presented do not always represent the complete verbatim wording of motions actually adopted. Copies of actual motions related to the above actions will be provided to members upon request. As required by OAR policy, staff commentary has been included where appropriate to provide clarification or to identify the impact of motions passed. Such commentary does not necessarily represent official OAR positions.