

# GOVERNANCE PAG RECOMMENDATIONS

## Approved 11/15/2021

The NAR Board of Directors and Delegate Body met on November 15, 2021, to consider recommendations from the Governance Game Changer Presidential Advisory Group (PAG) as approved by the Leadership.

What follows are the new policies as approved by the Board of Directors and Delegate Body.

### **1. That NAR Directors be required to satisfy the following qualifications and performance expectations:**

*New requirements will be in place for 2023 Directors.*

- Complete a written application that includes the following:
  - Statement by the applicant describing their involvement in real estate, why they are seeking a position on the NAR Board of Directors and what they believe they can contribute in their role.
  - Commitment to support the mission, priorities, and core values of NAR.
  - Acknowledgment that the candidate will fulfill all duties and responsibilities of the role including but not limited to preparing for, attending, and participating in meetings and abiding by NAR policies and procedures.
- Have served in some capacity within NAR governance, a state or local association, or NAR Institute, Society, or Council.
- Be a REALTOR® member in good standing, actively engaged in the business of real estate.
- Serve on at least one committee, forum, or advisory group to stay informed on key policy positions to act as a local member resource.
- Forfeit their Director position if they miss two consecutive Board meetings unless the Board of Directors, upon receipt of a written explanation for such absence satisfactory to it, shall waive this provision.
- Complete an annual orientation and NAR fiduciary refresher module.
- Agree annually to an NAR Volunteer Service Agreement that includes Director duties, responsibilities, and performance expectations.
- Review all materials prior to each meeting and fully participate in each meeting from beginning to end.
- In the event of a violation of fiduciary obligation to NAR or a violation of the NAR conflict of interest or harassment policies, a Director must resign or will be removed from the Board.
- Demonstrate leadership and communication skills as well as proficient use of technology and social media.

## **2. That Committee Liaisons and Executive Committee members be required to satisfy the same qualifications and performance expectations as those for the Board of Directors in addition to the following:**

*New requirements will be in place for 2023 Committee Liaisons, and 2024 Executive Committee members.*

- Have served within NAR's governance structure within the past five years.
- Have earned and maintained active status for C2EX or another designation offered by NAR or an NAR Institute, Society, or Council and have completed At Home with Diversity, Fairhaven, and Implicit Bias training.

## **3. That Committee Chairs and Vice Chairs be required to satisfy the same qualifications and performance expectations as the Board of Directors in addition to the following:**

*New requirements will be in place for 2023 Committee Chairs and Vice Chairs.*

- Have served within NAR's governance structure.
- Complete all committee leadership training, including the REALTOR® L.E.A.D. course (or any future course that replaces it).
- Demonstrate leadership and communication skills, use of technology and social media, and proficiency in running productive meetings.
- Work with the Committee Liaison and Staff Executive to establish measurable and quantifiable goals, advance the committee's work, create synergies where appropriate, and ensure a smooth transition to the following term.
- Know how the committee purpose supports the NAR strategic plan.
- Be well prepared to lead engaging committee meetings and create an environment that encourages meaningful discussion of the issues.
- Follow NAR policies and procedures and know the NAR annual budget process and funds available to the committee.
- Support NAR leadership in identifying future committee leaders.

## **4. That Regional Vice Presidents be required to satisfy the same qualifications and performance expectations as the Executive Committee members in addition to the following qualifications and performance expectations:**

*New requirements will be in place for 2024 Regional Vice Presidents*

- Complete an application for NAR elected office and submit to financial, legal and social media audits and any other audits as may be required.
- Have other REALTOR®, civic, or government experience, indicating leadership ability.
- Have served in NAR governance on a national committee and in at least one of the following positions:
  - State association president
  - National president of an NAR Institute, Society or Council
  - Currently serving as an NAR Director
  - Have served as an NAR Director for a minimum of two years within the past six years
  - NAR appointed Vice President
  - Committee Liaison

- Committee or advisory board chair or vice chair (does not include forum leadership)
- Attend all RVP, Executive Committee and Board of Directors meetings.
- Attend incoming RVP orientation.
- Attend RVP media and spokesperson training.
- Attend RVP legislative briefing during REALTOR® Party Training Conference.
- Be well versed and conversant in NAR policies, programs, and initiatives, as well as the goals and priorities of the NAR Strategic Plan.
- Be well prepared to lead engaging, productive meetings and create an environment for meaningful discussion.
- Meet virtually, a minimum of four times a year, with NAR Directors and state leaders in the Region.
- Participate in at least one virtual or in-person Board of Directors meeting a year of each state in the Region.
- Attend NAR-approved meeting management and facilitation training, including engaging diverse participants, strategic issue deliberation, consensus building, and managing different personalities and points of view.
- Take direction, oversight and coaching from NAR First Vice President to ensure that duties are being carried out and successful.
- Assist NAR in conducting an annual survey of NAR Directors in their Region to assess satisfaction and efficacy of Regional Caucus meetings and opportunities for members to engage and share perspectives.
- Shadow current RVPs to be better prepared for assuming the duties.

**5. That Article VII, Section 3(A) of NAR’s Constitution be deleted and replaced with the following to reflect the expanded authority, qualifications, and performance expectations of the Regional Vice President position:**

*“The role of a Regional Vice President is to focus on the issues and specific duties that support NAR initiatives and effective decision making at the national level, as directed by NAR.”*

**6. That the Campaign Credentials & Rules Committee devise an electronic election process which allows NAR Directors from each Region to elect (from all qualified candidates in their Region) one candidate from that Region to put forward to the NAR Board of Directors’ election for the position of RVP.**

The process must:

- (a) require candidates to obtain an endorsement from their home state association;
- (b) permit state associations to endorse more than one qualified member;

- (c) permit but not require each Region to have their own process for interviewing or recommending RVP candidates to the NAR Directors from their Region; and
- (d) prohibit state associations and regions from establishing criteria for RVP eligibility that is different than the criteria set forth by NAR.

**7. That there be a Local Association President Town Hall held within 30 days prior to every Board of Directors meeting.**

**8. That Article IV of the NAR Constitution be deleted and replaced with the following to reflect the authority, qualifications, and composition of the new Board of Directors:**

**Article IV – Board of Directors**

**SECTION 1.** The government of the National Association shall be vested in a Board of Directors composed of the following individuals each serving a term of one year unless otherwise indicated:

- (A) The President, President-Elect, First Vice President, Treasurer, Immediate Past President, Immediate Past President twice-removed, Vice President of Advocacy, Vice President of Association Affairs, and REALTOR® Party Director;
- (B) Executive Committee members not already members of the Board of Directors provided that such member of the Executive Committee has not resigned a directorship, the term of which would have coincided in whole or in part with their term appointment to the Board of Directors;
- (C) The Regional Vice Presidents for a two-year term;
- (D) The Presidents of the Institutes, Societies, and Councils of the National Association;
- (E) The former Presidents of the National Association who continue to be affiliated with their respective local boards and active in the National Association;
- (F) The former Treasurers of the National Association who continue to be affiliated with their respective local boards and active in the National Association;
- (G) The Presidents of the state and territorial REALTOR® associations;
- (H) Each Committee Liaison, provided such Committee Liaison has not resigned a directorship the term of which would have coincided in whole or in part with the term as a Committee Liaison;
- (I) Recipients of the Distinguished Service Award who continue to be affiliated with their respective local association and active in the National Association;

(J) Four Association Executives consisting of two from local associations, one from a state association, and one from a regional multiple listing service, appointed by the Leadership Team that will be in office when these terms begin;

(K) Up to two REALTORS® or REALTOR-ASSOCIATE®s who are members of a commercial overlay board appointed by the Leadership Team that will be in office when these terms begin;

(L) Up to ten representatives of organizations not affiliated with the National Association appointed by the Leadership Team that will be in office when these terms begin, which shall include at least one representative from the National Association of Real Estate Brokers, the National Association of Hispanic Real Estate Professionals, the Asian Real Estate Association of America, and a representative from the LGBT real estate community. Representatives may be selected and approved at any time during an elective year and serve for the balance of that elective year;

(M) A principal, partner or corporate officer or management team member from fifty of the largest seventy-five firms, partnerships or corporations in the real estate business who hold REALTOR® membership in a Member Board of the National Association and is appointed by the Leadership Team that will be in office when these terms begin upon recommendation of the Real Estate Services Advisory Group. The largest real estate firms, partnerships, or corporations shall be identified by determining those with the greatest number of REALTORS® and REALTOR-ASSOCIATES® employed by or affiliated with a principal, partner, corporate officer or branch office manager of the firm, partnership or corporation. In making the determination of the largest firms, partnerships or corporations, all real estate businesses operating under common control, regardless of their business structure, shall be considered a single firm, partnership or corporation;

(N) 261 Directors appointed by state and territorial associations to be allocated to each state and territorial association pursuant to the following formula: the number of primary members in the state or territorial association as of July 31st of the year prior to service divided by the number of primary members in the National Association as of the same date multiplied by 261. Fractions will be rounded using traditional rounding methods. Each Director appointed pursuant to this provision will serve a term of up to three years;

(O) 425 Directors appointed by local associations to be allocated to each local association with at least 2,000 members as of July 31st the year prior to service pursuant to the following formula: the number of primary members in the local association as of July 31st of the year prior to service divided by the number of primary members in local associations with 2,000 or more members as of the same date multiplied by 425. Fractions will be rounded using traditional rounding methods. Each Director appointed pursuant to this provision will serve a term of up to three years;

(P) 54 Directors, one from each state, territory, and the District of Columbia, who is a primary member in a local association with 500 to 1,999 members, and is appointed by their state association. Each Director appointed pursuant to this provision will serve a term of up to three years;

(Q) 54 Directors, one from each state, territory, and the District of Columbia, who is a primary member in a local association with 499 members or less, and is appointed by the state association. Each Director appointed pursuant to this provision will serve a term of up to three years.

(R) If a state, territory or the District of Columbia does not have more than two local associations as described in subsections (P), then the state association may appoint the allocated director from subsection (Q). If a state, territory or the District of Columbia does not have more than two local associations as described in subsections (Q) then the state association may appoint the allocated director from subsection (P). If a state, territory or the District of Columbia does not have any local association as described in subsections (P) or (Q), then the state association will appoint the allocated director from the state association.

**SECTION 2.** Appointments and recommendations for Directors as provided in Article IV, Section 1 subsections (M)-(Q) must be submitted to the National Association by September 15th of the year prior to service. Failure to timely submit the Directors to the National Association constitutes forfeiture of those allocated appointments.

**SECTION 3.** One-third of the whole Board of Directors shall constitute a quorum.

**SECTION 4.** There shall be two regular meetings of the Board of Directors in each year at a time and place fixed by the Board of Directors. Special meetings may be called by the President or by one-third of the members of the Board of Directors representing at least five states or the District of Columbia, upon due notice in writing given to each Director which includes the agenda and any item that will be voted upon at the special meeting. Directors may unite in a petition to call such meeting or individually address written requests to the National Association. Upon receipt of such petition or written requests from the required Directors, the President shall notify each Director, in writing, of such meeting, fixing the time and place thereof not less than ten nor more than thirty days from the date of said notice.

**SECTION 5.** Any Director, except the former Presidents of the National Association, who shall be absent from two consecutive regular meetings of the Board of Directors shall automatically forfeit their office unless the Leadership Team, upon receipt of a written explanation for such absence satisfactory to it, shall waive this provision.

**SECTION 6.** The Board of Directors, Executive Committee, Leadership Team and other NAR committees shall from time to time seek the opinions and advice of the members and Member Boards on matters of national importance in such manner as may be convenient and shall consider such information in their deliberations.

## **9. That Article V of the NAR Constitution be deleted and replaced with the following to reflect the authority, qualifications, and composition of the new Executive Committee:**

### Article V – Executive Committee

SECTION 1. There shall be an Executive Committee composed of the following individuals:

(A) The President, President-Elect, First Vice President, Treasurer, Immediate Past President, the Past President twice-removed, Vice President of Advocacy, Vice President of Association Affairs, and REALTOR® Party Director.

(B) Four Past Presidents appointed by the Leadership Team to serve two-year staggered terms such that two Past Presidents are appointed annually.

(C) Twelve members to serve a two-year staggered term based on the individual having demonstrated a competency needed for the role, as such competencies are identified by the Leadership Team with input from the Leadership Identification and Development Committee, Strategic Planning Committee, and Credentials and Campaign Rules Committee, and to be appointed by the Leadership Team that will be in office when these terms begin. Each Executive Committee member serving pursuant to this provision will serve a two-year staggered term such that seven members are appointed annually. Appointments pursuant to this section must not have previously served as National Association President.

(D) Each Regional Vice President to serve a two-year term beginning concurrently with their term as Regional Vice President.

(E) One AE Representative and one MLS Executive Representative appointed by the Leadership Team that will be in office when these terms begin for a one-year term.

(F) One representative from each of the National Association's Institutes, Societies, and Councils to serve a two-year staggered term appointed by the Leadership Team that will be in office when these terms begin upon recommendation of each respective Institute, Society, and Council.

(G) A principal, partner or corporate officer or management team member from five of the largest seventy-five firms, partnerships or corporations in the real estate business who hold REALTOR® membership in a Member Board of the National Association and is appointed by the Leadership Team that will be in office when these terms begin upon recommendation of the Real Estate Services Advisory Group.

(H) The CEO of the National Association, a non-voting member.

(I) Each REALTOR® Member who has served as President of the National Association and as a member of the Executive Committee for terms aggregating twenty (20) years is appointed as Lifetime Emeritus of the Executive Committee unless sooner terminated by resignation from the Committee or the National Association.

(J) Two Distinguished Service Award recipients appointed by the Leadership Team that will be in office when these terms begin for a one-year term.

**SECTION 2.** The Executive Committee shall conduct the affairs of the National Association in accordance with the policies and instruction of the Board of Directors and shall specifically be charged with approving and monitoring the strategic plan of the National Association, approving committee structure changes, and approving committee recommendations and policy positions except: (a) those that require approval by the Board of Directors, such as approving amendments to the Bylaws and to the Code of Ethics, approving the National Association budget, dues and assessments, (b) those that the Leadership Team or Executive Committee may refer to the Board for vetting and approval, and (c) and those that have been referred to the Board of Directors by a petition signed by at least twenty percent of the Directors.

**SECTION 3.** The Executive Committee will meet at least four times per year and more at the request of the President, the Board of Directors or any eleven of its members. At least fifteen days' notice of Executive Committee meeting date and agenda must be provided to Directors prior to such meeting. The President shall act as Chair of the Executive Committee. Half of the voting members present at a meeting shall constitute a quorum.