This document specifically identifies areas from the Body of Knowledge that comprise the RCE CAE Plus exam. AEs preparing for the RCE CAE Plus exam should review this Body of Knowledge.

The desired skills, attributes, and knowledge base of a successful REALTOR® association executive (AE) vary from association to association, depending on the association’s size, organizational structure, and demographics, as well as the diverse needs of its members.

This document identifies competencies in which an AE shall be proficient to successfully serve the evolving REALTOR® association. Within each competency there are three levels of knowledge. Each of the competencies is attached to a body of knowledge that identifies topics leading to proficiency at the three defined levels.
MANAGE THE ASSOCIATION AND ITS BUSINESS OPERATIONS

Association executives (AEs) today need a comprehensive skill set, including the ability to prioritize time, finances, materials, space, and human resources; to plan and coordinate processes to produce desired results; build a professional environment of trust and respect; and optimize association resources to ensure effectiveness of association decisions and provide knowledge for members.

**ADMINISTRATIVE LEVEL**
Possess general knowledge of business and financial operations; establish good working relationships with service providers, volunteers and staff; efficiently administer association business.

**MANAGEMENT LEVEL**
Develop and manage staff around an organizational plan with clear responsibilities; ensure that strategic planning and business planning processes are in place.

**LEADERSHIP LEVEL**
Seek out new and innovative programs, products and services; develop creative management solutions; cultivate a highly evolved and trained staff team; be a respected and motivating influence for staff and leaders.

### Commercial Services and Structures
- Understand commercial structures and overlay associations
- Understand the services offered to associations through NAR’s Commercial and Global Services team
- Understand how NAR supports the commercial real estate sector, including resources and services available for members on www.nar.realtor/commercial, etc.
- Understand the Institute Affiliate Dues structure

### Legal and Regulatory Activities
- Maintain, or have access to legal counsel, as mandated by the Core Standards
- Understand the application of the Americans with Disabilities Act (ADA), state and local regulations to association activities and ensure compliance, including website accessibility compliance
- Have an in-depth understanding of antitrust laws and ensure association’s compliance with these laws
- Understand how copyright laws impact the association and ensure compliance
- Understand how music, software, and photo usage licensing laws impact the association and ensure compliance
- Implement and maintain a document retention policy and ensure compliance
- Minimize liability for the association, officers, directors, committees, and employees
- Understand and ensure compliance with trademark policies applicable to the REALTOR® trademark
- Understand conflict of interest/duty of loyalty policies
- Understand intellectual property rights and implement compliance policies for images on websites, disability issues like accessibility of websites, and other issues
- Understand insurance policies, coverage, and limits of insurance, particularly NAR’s umbrella professional liability policy and the general liability policy
- Be aware of patent issues in the industry
- Understand the legal liabilities of social media
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<tr>
<td><strong>Product/Program Development</strong></td>
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<td>Identify core vs. optional services and determine whether the product/service offering is consistent with association's mission statement and strategic plan</td>
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<td>Identify available NAR, state, and local programs and products and communicate the offerings to membership</td>
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<td>Assess the impact of a product or program for any association liability, impact on tax status, and staffing</td>
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<td>Develop and conduct a member needs assessment to determine products and services needed by membership</td>
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<td>Develop and conduct member, market, and competitive research to determine if the product/service is feasible for delivery, including a cost/benefit analysis</td>
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<tr>
<td>Create a business plan for products/services including the product requirements, rationale, funding and implementation plan</td>
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UNDERSTAND THE STRUCTURE OF THE REALTOR® ORGANIZATION WITHIN THE CONTEXT OF THE EVOLVING REAL ESTATE INDUSTRY

Demonstrate the ability to analyze, interpret, and apply REALTOR® association governance, policies, and procedures to understand and work with the governance and structure of the REALTOR® association.

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<tr>
<td>Understand the fundamental structure of the REALTOR® organization; ensure that association’s governing documents comply with NAR requirements.</td>
<td>Have an in-depth understanding of NAR policies and procedures, as well as local and state associations; take an active role in the REALTOR® organization.</td>
<td>Make a difference – contribute to policy formulation and the direction of the REALTOR® organization.</td>
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**Governing Documents and Policy**

- Understand the components of and be able to apply/comply with the following: Bylaws, NAR Model Bylaws; Constitution; and Articles of Incorporation
- Understand and enforce the REALTOR® dues formula
- Know the function and purpose of governing documents, policies, and procedures
- Maintain governing documents in compliance with NAR policy
- Be able to obtain approval of governing documents by NAR (a condition of coverage under NAR’s Master Professional Liability Insurance Policy)

**Institutes, Societies, and Councils, and NAR Designations, Certifications, and Certificate Courses**

- Identify the Institutes, Societies and Councils and understand the scope of their respective designations
- Identify the various NAR Designations and Certifications and Certificate Courses and understand their purpose in the marketplace
- Be aware of programs offered by REALTOR® University
- Identify and assess the need for developing specialty sections or councils (i.e., appraisers, property managers, et al.)
- Know the steps needed to bring a NAR designation or certification course to the association and what resources and support are offered by NAR and the ISCs
# ADMINISTRATIVE LEVEL

## Membership Policies and Procedures

- Understand association of choice and how policies apply to other association services:
  - Identify how association of choice applies to a designated REALTOR®
  - Identify how association of choice applies to a firm’s licensees where the firm’s DR belong to different associations and where the firm operates in multi-state markets
  - Identify the requirement for a REALTOR® (nonprincipal) to choose an association as primary
  - Identify how NAR dues formula applies to a DR who holds both primary membership in one association and secondary membership in another
  - Identify whether a secondary member may receive MLS services

- Understand and ensure compliance as mandated by the Core Standards

- Identify, implement and enforce member policies and procedures, including:
  - types of membership
  - membership qualification criteria
  - application process
  - membership privileges and obligations (including biennial Code of Ethics training requirement)
  - membership suspension, expulsion or termination

- Develop and conduct new member orientations as required by NAR

## MLS Policies and Delivery of Services

- Understand the value and purpose of MLS, including ancillary services
- Be able to describe the differences between core, basic and optional services
- Understand the difference between an MLS subscriber and participant and how their rights/privileges differ
- Understand the different MLS operational structures (committees, corporations and regional entities) and the NAR MLS policies and model documents
- Understand listing content management and distribution including ownership (copyright vs. license) and authorized displays and possible uses of MLS data by participants, subscribers, and others including IDX, VOW, syndication, aggregation and other service vendors
- Understand NAR Model MLS Rules and their impact on MLS services and delivery
- Understand the value and functions of RESO, data dictionary, WEB API and industry data standards
- Enforce NAR MLS Rules and Regulations, including the NAR MLS Antitrust Compliance Policy

# MANAGEMENT LEVEL

## Membership Policies and Procedures

- Understand and ensure compliance as mandated by the Core Standards

# LEADERSHIP LEVEL

## Membership Policies and Procedures

- Develop and implement policies regarding data feeds for subscribers, participants and third-parties
- Develop and implement policies regarding the public distribution and use of MLS statistics
### Administrative Level

**Political and Governmental Affairs**
- Know the local, state, and national expectations for voter registration of REALTORS®, Call-For-Action (CFA) Rates, and REALTOR® Political Action Committee (RPAC) fundraising
- Identify information, programs, and data available for REALTOR® voting engagement efforts
- Understand the expectations and directions of the Core Standards’ Advocacy section on political and government affairs programs
- Be able to find information about the different political action committees (PACs), political funding, grants, programming and other resources at the local, state, and national level

**Professional Standards**
- Know components of the Code of Ethics, the NAR Handbook on Multiple Listing Policy, and the Code of Ethics and Arbitration Manual (CEAM)
- Be able to explain the duties of the REALTOR® under the Code of Ethics and how they apply to his/her daily business
- Describe the general steps for processing an ethics complaint and for processing an arbitration request (including who is eligible to file and the differences between an ethics complaint and an arbitration request)
- Know the role and scope of the Grievance Committee, Professional Standards Committee and the Board of Directors in conducting ethics hearings, arbitration hearings and appeal hearings
- Understand and enforce NAR’s Code of Ethics training requirements
- Understand and enter into a cooperative enforcement agreement
- Understand NAR’s REALTOR® Association Dispute Resolution Process
- List the basic principles of due process and how they apply to administrative timelines and the role of the Association Executive to ensure parties a fair and impartial hearing
- Understand the differences between mandatory and voluntary arbitration
- Know the elements of an ethics decision including: (1) clearly articulated findings of facts that support the conclusion and are reasonably applicable to the cited articles (2) progressive discipline and (3) use of Declaratory Relief when appropriate
- Understand what a REALTOR® association may publish about a member found in violation of the Code of Ethics

### Management Level

**Political and Governmental Affairs**
- Understand and identify the fundamentals of applying for NAR grants, programs, and funding sources
- Identify resources for evaluating and supporting candidates with PAC fundraising and independent expenditures

**Professional Standards**
- Promote and explain the benefits of the dispute resolution system (DRS) for buyer and seller
- Promote and explain the benefits of the mediation
- Promote and explain the benefits of the ombudsman service
- Understand the role of the board of directors in the professional standards process
- Understand both employee and member roles in the observance of confidentiality
- Understand who must be disqualified/excused from any tribunal considering a professional standards matter
- Understand the optional sections in the CEAM that may be adopted at the discretion of the association
- Understand the principles of progressive discipline
- Understand the Core Standards that apply to professional standards

### Leadership Level

**Political and Governmental Affairs**
- Identify both traditional and non-traditional coalition partners, and ways REALTOR® goals and values align with other organizations, such as real estate industry organizations, housing and finance trade associations, property rights coalitions, workforce and affordable housing organizations and chambers of commerce
- Identify multiple strategies including grants/resources to support a successful RPAC fundraising strategy (Use of PAC management systems, fundraising grants, major donor programs)
- Identify resources available for policy development strategies and support (Land Use Initiative, Housing Affordability & Smart Growth Grants, Polling)

**Professional Standards**
- Promote the benefits of the mediation process as compared to the arbitration process
- Promote the benefits of the ombudsman process compared to the ethics process
UNDERSTAND REAL ESTATE ISSUES AND TRENDS

Understand the diverse issues that foster a successful real estate operation, as well as the forces that are shaping the industry; manage these changes to ensure an environment that puts the REALTOR® at the center of every real estate transaction; analyze and affect the impact of issues and trends in the industry.

ADMINISTRATIVE LEVEL
Possess a basic understanding of the real estate industry – functions of an agent, broker, firm; understand members and their business in your market area.

MANAGEMENT LEVEL
Develop a working knowledge of real estate license laws and real estate firm operations; focus more on the industry and industry trends; develop working relationships with your organization’s internal and external constituents.

LEADERSHIP LEVEL
Identify critical issues and trends before they impact the members; build trust and confidence in the association and its members.

Diversity and Global
- Recognize the many types of diversity (age, gender, ethnic background, etc.) in local markets, in the membership and in association leadership
- Identify the purposes of NAR’s Leading with Diversity workshop and Diversity Grants
- Raise awareness of NAR Global Programs and services to share with members
- Understand the impact of members’ listings on www.nar.realtor/international
- Understand how diversity and inclusiveness contribute to achieving association goals

Fair Housing
- Be aware of federal, state, and local fair housing laws, types of potential violations, and where complaints may be filed
- Know the application of Article 10 of the Code of Ethics
- Identify advertising practices that may have a fair housing impact
- Be knowledgeable of real estate office employment issues
- Be knowledgeable of record-keeping requirements for real estate practitioners
- Understand broker/agent relationships

General Real Estate Practices
- Know the basics of real estate contract law
- Understand license law and regulations; identify agencies that regulate licensees
- Understand the liabilities inherent in real estate activities (e.g. misrepresentation, negligence, etc.)
- Be knowledgeable of disclosures and documentations to reduce liability (e.g. Megan’s Law, stigmas etc.)
- Understand basic listing/sales procedures, and terminology
- Understand disclosure requirements
- Describe the difference between Exclusive Right to Sell and Exclusive Agency agreements
- Understand independent contractor status and brokerage models
- Have basic understanding of agency and agency relationships
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<td><strong>Real Estate Issues and Trends</strong></td>
<td><strong>Have a working knowledge of the basic economics of prevailing real estate brokerage business models (e.g. split commission, 100% commission, limited service) and their impact on members</strong></td>
<td><strong>Identify, evaluate and develop action plans to address emerging real estate issues and trends</strong></td>
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<td>• Work with leadership and volunteers to identify the industry’s major member/broker liability issues.</td>
<td>• Understand trends affecting the transfer and ownership of real estate; this includes funding, document processing, title and escrow, and taxes</td>
<td>• Understand how the rapid evolution of technology impacts deliverables (products and services) of associations and MLSs</td>
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<tr>
<td>• Understand the day-to-day operations of real estate practitioners</td>
<td>• Understand regulations affecting the ownership and transfer of real estate, fair housing, and diversity</td>
<td>• Stay informed about social, political, technology and demographic trends and how those trends affect the real estate market and the business activity of members</td>
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<td>• Understand the types of government regulation impacting real estate brokerage, licensing and educational requirements</td>
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<td>• Develop a leadership pipeline that accommodates changing member demographics and real estate business trends</td>
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<td>• Analyze the impact of changing consumer demands and demographics and provide direction to members and the association</td>
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<td>• Be knowledgeable about consumer demands and trends affecting the real estate transaction, including competitive entities and services to REALTORS®, such as FSBOs, third party aggregators, syndication, energy and green, MLS services and potential replacements, and related technologies</td>
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COMMUNICATE VALUABLE INFORMATION

Identify, acquire, interpret, and communicate valuable information to association members and external audiences; market programs and services that meet member needs; use knowledge, skills, and technological tools to achieve desired results; relate information from outside sources to support members in their day-to-day business.

ADMINISTRATIVE LEVEL
Identify appropriate communication channels and use them effectively to gain and disseminate information.

MANAGEMENT LEVEL
Identify and analyze valuable information, and communicate its impact; manage comprehensive public relations and outreach programs to build the association’s image in the community.

LEADERSHIP LEVEL
Become a trusted and sought-after source of valuable information for the public, the media and affiliated professionals; master communication methods to collect and disseminate “knowledge”; develop a comprehensive member communications program.

Public Relations Programs

- Utilize the public relations tools provided by NAR and the state association
- Define and understand public relations and the differences between PR and publicity.
- Create a strategy for a public relations program that promotes REALTOR® value and positions the REALTOR® organization as the recognized resource for real estate information within the community.
- Determine what content is relevant and newsworthy (articles, photos, videos, blogs) to various media outlets
- Communicate the vision for the public relations strategy to both staff and leadership
- Develop and implement an effective strategic public relations plan

For More Information Contact:
Association Leadership Development
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