

**COMPLIANCE REPORTING PROCESS**

- State Associations will adopt their own protocol for compliance audits as appropriate
- Failure to comply with any of these Core Standards will result in mandatory referral to NAR for appropriate action up to and including revocation of Association charters
- To the extent feasible, required proof of compliance should be provided electronically
- Unless stated otherwise, the timeline for each Core Standard requires annual performance and compliance

Core Standard	What's Being Enforced	Enforcement Entity	Timeline	Comments
Code of Ethics	Education, Enforcement, Advancement	State Association with NAR oversight	Annually by submitting report form which will include: Complaints filed, hearings held, volunteer training held, educational efforts	Nothing shall preclude any State Association from offering this service to locals
Code of Ethics	Implementing expedited process(es) for both ethics enforcement and arbitration: <ul style="list-style-type: none"> <li>• Mediation</li> <li>• Ombudsman</li> <li>• Citation Policy</li> </ul>	State Association with NAR oversight	Annually by submitting member information document that explains local expedited process or processes offered	
Advocacy	Dues billing to include voluntary contribution for the PAC or PAF or, in the alternative, to make a contribution in the full amount of the	State Association	Local Association required to provide copy of dues billing statement to State Association or in the alternative to make a contribution in the full amount of the Fair	



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	Involvement <ul style="list-style-type: none"> <li>• Advocacy Efforts</li> <li>• Community Investment</li> </ul>			
Unification Efforts	Bylaws and NAR mandated policy adoption	NAR will enforce compliance for bylaws, MLS policies regulations and NRDS compliance. State Association will enforce other mandated policies	NAR will review association documentation and provide annual compliance letters	It will be the shared responsibility of all Associations to report any compliance violations to the appropriate entity
Unification Efforts	State Associations providing unreported licensee lists to Local Associations for enforcement of DR dues formula	NAR enforces State Association efforts and State Associations enforce Local Association efforts to enforce the dues policy	Local Associations to provide copies of communications to brokers and appropriate follow-up	
Unification Efforts	Legal counsel availability	State Association enforces Local Association compliance	Provide name and contact information of legal counsel	Local Association may use State Association legal counsel if offered by the state
Unification Efforts	Maintain policies and procedures that comply with local, state and federal laws	NAR enforces State Association compliance and State Association enforces Local	State Association checks appropriate corporate website to confirm active corporate status. Local	

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		Association compliance	Associations to provide proof of tax filings to State Association. State Associations to provide same to NAR.	
Unification Efforts	Business or Strategic Plan in place	NAR enforces State Association compliance and State Association enforces Local Association compliance	State Association to provide copy of their plan to NAR. Local Association to provide copy of plan to State Association.	
Unification	AE Professional Development- Local and state Chief paid staff to participate in 6 hours of Association management training annually.	NAR enforces State Association compliance and State Association enforces Local Association compliance.	Chief staff will provide proof of attendance at professional development training.	
Unification	AE Professional Development - State Associations to provide 6 hours of training or coordinate with other State Associations for regional training opportunities.	NAR enforces State Association compliance	State Association to provide proof of training opportunities provided.	
Technology	Each Association to	NAR enforces	The proof is the	

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	have an interactive website including: <ul style="list-style-type: none"> <li>• Active links to professional standards information and enforcement resources</li> <li>• Create active links between local, state and national websites</li> </ul>	State Association compliance and State Association enforces Local Association compliance	website	
Technology	Utilization of email or internet based member communication	State Association enforces Local Association compliance	Provide copy of at least one member communication that shows the Association email address.	
Financial Solvency	Adopt policies to ensure fiscal integrity of financial operations	NAR enforces State Association compliance and State Association enforces Local Association compliance	Each Association provides a copy of their policy to the appropriate enforcing entity.	
Financial Solvency	Annual audit, financial review or financial and procedural testing	NAR enforces State Association compliance and State Association enforces Local Association compliance	Provide proof attesting to the completion of financial compliance.	
Financial Solvency	Bankruptcy -	NAR enforces		

Core Standard	What's Being Enforced	Enforcement Entity	Timeline	Comments
	Any Association considering bankruptcy must first obtain NAR's consent to file.	Association compliance		