CALIFORNIA ASSOCIATION OF REALTORS®

June 1, 2012

Kevin Milligan
Board Policy and Programs
National Association of REALTORS®
430 North Michigan Avenue
Chicago, Illinois 60611

2012 OFFICERS

LeFrancis Arnold
President

Don Faught
President-Elect

Chris Kutzkey
Treasurer

Joel Singer
Chief Executive Officer/ State Secretary

RE: Member Policy Recommendations of the California Association of REALTORS®

Dear Mr. Milligan:

California Association of REALTORS® would like to formally request that NAR consider expanding the criteria for REALTOR® membership to include stricter requirements for both broker and salesperson applicants. Specifically, C.A.R.'s position is that the time period that is examined for prior judgments for violations of civil rights laws, real estate laws, and other laws prohibiting unprofessional conduct should be extended from the current three (3) year limit.

There was substantial discussion of this topic at C.A.R.'s Board of Directors meeting in May, and the Directors approved a motion to ask NAR to consider expanding the criteria for REALTOR® membership to include stricter requirements for REALTOR® applicants, who have a judgment against them for violation of certain civil laws. We hope that our request will be seriously considered by your Membership Policy and Board Jurisdiction Committee ("Committee") at their next meeting, which we understand will be taking place on November 10.

REALTOR® Associations and their members pride themselves, and indeed have based an advertising campaign, on members' integrity and high ethical standards. Allowing those individuals, who have been adjudged to have engaged in serious misconduct in violation of civil laws, to become a REALTOR®, just because the judgment occurred more than three years prior to their application, is contrary to that goal.

In the last few years, state budget shortages and staff work-load at the Department of Real Estate ("DRE") have led to much slower complaint processing and subsequent disciplinary action than expected. Ordinarily, local Associations rely on the DRE screening process to vet those who have been adjudged guilty of serious misconduct – for violations of both criminal and civil laws. Since it appears that associations cannot rely, entirely, on the DRE to stop those who have violated the law from obtaining or retaining a license, questions have arisen in California about whether a local Association can screen REALTOR® membership applications for those who have violated certain civil laws, within a time period longer than three (3) years.

REALTOR® is a federally registered collective membership mark which identifies a real estate professional who is a Member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.

EQUAL HOUSING OPPORTUNITY

Executive Offices 525 South Virgil Ave. Los Angeles, CA 90020 Tel (213) 739-8200 Fax (213) 480-7724 www.car.org

Current NAR membership policy requires that an applicant for REALTOR® membership supply evidence satisfactory to the Association that he or she has no record of judgments rendered by the courts or other lawful authorities within the past three (3) years for violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct. In addition, the association can consider whether the applicant has any criminal convictions where (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date

There is no reason to treat an adjudication of serious civil misconduct any differently than a criminal conviction. As the rule currently stands, a person could be adjudged guilty of mortgage fraud under unfair business practices laws and could apply for REALTOR® membership exactly three (3) years after that judgment is entered. The Association would have no recourse under current NAR policy to deny that serious offender membership. A more realistic limit would be ten (10) years from the date of judgment.

It is our sincere desire that the issues raised in this letter will be seriously considered by your Committee and are submitted with appreciation for the difficult task facing the group.

Very truly yours,

June B. Barlow
General Counsel & Vice President

cc:
Gary Thomas, NAR President-elect
LeFrancis Arnold, C.A.R. President
Don Faught, C.A.R. President-elect
Chris Kutzky, C.A.R. Treasurer
Joel Singer, C.A.R. Executive Officer
Heather Ozur, C.A.R. Membership Committee Chair
Linda Lee, C.A.R. Membership Committee Vice Chair
Art Luna, C.A.R. Membership Committee Vice Chair
Keith Kelley, NAR Membership Policy and Board Jurisdiction Committee Chair
Ted Loring, NAR Membership Policy and Board Jurisdiction Committee Liaison
Dale A. Stinton, NAR EVP/CEO
Laurie Janik, NAR General Counsel
Cliff Niersbach, Vice President, NAR Board & Membership Policy Division
Susie Kater, C.A.R. Senior Counsel