

AGENDA



MONDAY, NOVEMBER 2, 2020

CALIFORNIA NAR DIRECTORS BRIEFING
NATIONAL ASSOCIATION OF REALTORS®
2020 REALTORS® CONFERENCE & EXPO
3:00 p.m. – 5:00 p.m. (PST)

PRESIDING:

Jeanne Radsick, C.A.R. President
David Walsh, C.A.R. President Elect

Staff:

Matt Roberts, Federal Governmental Affairs Manager

I. WELCOME

II. KEY CALIFORNIA EVENTS AT THE 2019 CONFERENCE & EXPO MEETINGS

A. NAR BOD Pre-Meeting and Voting Test. Friday, November 6, 2020 from 2:00 p.m. to 3:00 p.m. (CST). This pre-meeting will allow Directors to become familiar with the virtual voting process and to address questions ahead of the board meeting. Directors are strongly encouraged to attend!

B. Region 13 Caucus. Thursday, November 12, 2020 from 5 p.m. to 6:30 p.m. (CST). All Californians serving as NAR directors are expected to attend.

C. Delegate Body Meeting: This meeting has been canceled.

III. NAR POLICY COMMITTEE ACTION ITEMS AND HOT ISSUES

A. NAR Capital Gains Exclusion for Older Homeowners Work Group (*Federal Taxation Committee, November 10, 12:30 pm Pacific*)

The NAR Federal Taxation Committee will hear policy recommendations from the Working Group on how to ease the burden of capital gains on primary residences.

C.A.R. has taken policy on primary residence capital gains exclusion and supports:

- The exclusion being indexed for inflation,
- 1997 is used as the base year for calculating the exclusion amount (the year the current exclusion was created),
- The lower "single tax filer" amount is eliminated and only the higher exclusion amount (\$500,000) applies to all primary residences regardless of the marital status of the homeowner.

B. NAR Construction/Rehabilitation of Homes Work Group (*Federal Taxation Committee, November 10, 12:30 pm Pacific*)

The NAR Federal Taxation Committee will hear policy recommendations from the working group on how to incentivize more supply using existing commercial property.

C.A.R. has worked at the state level and supports efforts to convert commercial properties to residential properties.

C. Rental Restrictions (*State and Local Issues Policy Committee, November 10, 11:00 am Pacific*)

In the wake of the COVID Crisis governments at all three-levels have issued restrictions on rental properties. The State and Local Issues Committee will have the Legal Research Center discussing the issue at their meeting.

D. Report of the Housing Voucher Workgroup (*Federal Financing and Housing Policy Committee, November 6, 9:30 am Pacific*)

The NAR Federal Financing and Housing Policy Committee will hear from their Housing Voucher Workgroup on using housing vouchers for homeownership. Currently, the HUD housing voucher program may be used for homeownership if the local public housing authority allows it.

E. Report of FHFA's Leadership Structure Working Group (*Conventional Financing and Lending, November 9, 9:30 am Pacific*)

The NAR Conventional Financing and Lending Committee will hear policy recommendations on the leadership structure of the Federal Housing Finance Agency. The FHFA is currently headed by an independent Director with a five-year appointment and may not be removed without cause. This structure is similar to the Consumer Financial Protection Bureau that was recently found unconstitutional by the Supreme Court.

IV. ISSUES FOR NAR FALL MEETINGS

A. Proposed Amendment to Article VIII. Rules of Meetings, of the NAR Bylaws:

Recommendation: That the NAR Bylaws be amended to expressly authorize the National Association to hold meetings, conduct business, and provide for voting by electronic means to the fullest extent permitted by law.

Rationale: While electronic meetings are legally permitted by Illinois law absent a prohibition in a company's bylaws, Robert's Rules of Order requires a company to expressly authorize electronic meetings in its bylaws. Amending NAR's bylaws will ensure that NAR remains consistent with both the law and Robert's Rules of Order when circumstances deem it advisable to conduct business electronically.

If the recommendation is approved, Article VIII. Rules of Meetings, of the NAR Bylaws, would be amended to add a new Section 6 as follows (strikeouts indicate deletions, underscoring indicates additions):

Section 6. To the fullest extent permitted by law, the National Association may hold meetings, conduct business, and provide for voting by electronic means.

B. Proposed Amendment to Article IV. Code of Ethics, Section 2 of the NAR Bylaws:

Recommendation: That the NAR Bylaws be amended to expand the definition of "public trust" to include all discrimination against the protected classes under Article 10 of the Code of Ethics and all fraud.

Rationale: At present, the definition of "public trust" includes demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm. This recommendation from the NAR Professional Standards Committee would expand the definition to include *all* discrimination against the protected classes under Article 10, and all fraud. As a result, associations would be required to share with the state real estate

licensing authority final ethics decisions holding REALTORS® in violation of the Code of Ethics in instances where there is reason to believe the public trust, as expanded, may have been violated. This is recommended so the real estate licensing authority, and other governmental agencies as recommended by the Association, are made aware of any findings of a violation of the Code of Ethics involving discrimination.

If the recommendation is approved, Article IV. Code of Ethics, Section 2 of the NAR Bylaws, would be amended as follows (strikeouts indicate deletions, underscoring indicates additions):

Section 2. *Any Member Board which shall neglect or refuse to maintain and enforce the Code of Ethics with respect to the business activities of its members may, after due notice and opportunity for hearing, be expelled by the Board of Directors from membership in the National Association. Enforcement of the Code of Ethics also requires Member Boards to share with the state real estate licensing authority final ethics decisions holding REALTORS® in violation of the Code of Ethics in instances where there is reason to believe the public trust may have been violated. The "public trust", as used in this context, refers to demonstrated misappropriation of client or customer funds or property, ~~willful~~ discrimination against the protected classes under the Code of Ethics, or fraud ~~resulting in substantial economic harm~~. Enforcement of the Code of Ethics also requires Member Boards to provide mediation and arbitration services to members and their clients so that the dispute resolution requirements of Article 17 of the Code of Ethics can be met.*

Enforcement of the Code of Ethics also includes responsibility for ensuring that persons primarily responsible for administration of enforcement procedures have successfully completed training that meets the learning objectives and minimum criteria established by the National Association from time to time.

Enforcement of the Code of Ethics also prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

V. NAR LEADERSHIP ADVISORY GROUP

VI. OTHER BUSINESS

VII ADJOURN