

2014 REALTOR PARTY CONVENTION & TRADE EXPO

May 12 - 17, 2014

Washington D.C.

Dear NDAR Board of Directors and Members,

Approximately 8500 Realtor members from across the country descended on Capitol Hill to attend the 2014 Realtor Party Convention and Trade Expo – for many years referred to as the Midyear Legislative Meetings and Trade Expo - to talk real estate policy with their elected members of Congress. The name change reflects the need for the proper alignment of the Realtor associations to navigate the rapidly changing real estate industry and its ever increasing advocacy and policy challenges.

NAR 360

This event, attended by several thousand Realtors, is a 'kickoff' type event to energize, motivate and to brief the attendees about what is to be accomplished with Association business and review the advocacy 'talking points' that will be addressed with our Congressional delegation during the Capitol Hill visit.

BOARD OF DIRECTOR MEETING

In my opinion, this was probably the most historic NAR Board of Directors meetings in a long time as the BOD in a sweeping move to improve the professionalism of Realtor associations across the country and the level of service they provide to members, passed a set of mandatory core association standards to be implemented by the associations at all levels. There was no dissenting discussion from the floor.

Andrea Bushnell, chair of the Organizational Alignment Presidential Advisory Group (PAG), which drafted the standards said the following: "This is an issue of professionalism in our industry. We want to ensure unity within – and the long term viability of - the 100 year old Realtor organization. All three levels of the organization must thrive together as a true and strong association, rather than acting as a group of independent but federated organizations." Over the past 4 – 5 years there were several other (PAG) groups and the RETHink Initiative two years ago involving 16 local grassroots workshops across the country which contributed to the mandatory core standard changes.

There is approximately 1400 state, local and territorial associations across the country that must meet the standards in six areas: 1) Code of Ethics education and enforcement-must provide Code of Ethics training. 2) Advocacy- participate in Calls for Action and make an effort to collect fair- share contributions to the Realtors Political Action Committee. The concept of Vote, Act and Invest must exist at all levels of the organization. 3) Consumer Outreach – promote the value proposition of using a Realtor. 4) Organizational Unification – maintain a strategic or business plan. 5) Technology – maintain a website with links to other levels of the association. 6) Financial Solvency – meet minimal financial performance.

The Board approved up to \$20,000,000 to help associations meet the new standards. \$5 million helps associations create or update their strategic plan; \$3 million helps states implement the standards; and \$12 million to facilitate mergers or dissolutions. All associations must renew their charter by June 30, 2015 in line with the new standard or they will be subject to membership revocation.

MLS Policy

With increased use of automated valuation methods (AVMs) for valuing property, the Board approved an amended MLS Policy Statement that MLSs must make information available in a manner that makes development of fully – automated AVMs possible.

NAR Leadership Election Process

That Board approved changes to the election process of NAR Leadership which includes shorting the election timeline and the Nominating Committee (now changed to the Credentials and Campaign Rules Committee) will no longer nominate candidates but will review candidates against newly formed criteria and will qualify them based on the criteria.

Issues and Mobilization

The Board approved \$777,000 in issue mobilization funds to NDAR for its effort to support Phase 2 to constitutionally prohibit transfer taxes. Thank you to NDAR Governmental Affairs Director Nancy Willis and NDAR President Elect Greg Larson. Their excellent presentation before the NAR Issues and Mobilization Committee made the approval possible.

Finance Committee Report

The Board approved a membership figure of 1,020,000 serve as the basis for dues revenue in the 2015 budget and that dues of \$120 per member continues in effect for 2015. \$40 of the dues amount be dedicated to funding the Realtor Party Programs. The operating budget for

2015 consist of \$154,778,070 in gross revenue and program expenses of \$158,899,760 (inclusive of the addition to Realtor Party Reserves), resulting in the use of Operating Reserves of \$4,121,690.

Realtor.Com Report

An alignment process is in progress between Move Inc. (major owner of Realtor .com) and Realtor.com to establish a brand appealing more to a younger audience, appeal to renters who will be become buyers and provide a more interactive personal experience. Realtor.com is promoting a new campaign : Accuracy Matters.

President's Report

President Steve Brown reported that an earlier proposal to build a new NAR building in Chicago has been withdrawn because of the 'mechanics' and risk involved.

RPAC 's fund goal of \$8.3 million is \$1,2 million ahead of schedule.

President Brown spoke to the NAR's Leadership's new election process and the Mandatory Organizational Core Standards changes as stated above.

HILL VISITS

The highlight and primary purpose for The Realtor Party Convention is the meetings our NDAR delegation had with North Dakota's Congressional representatives concerning key legislative policy issues affecting the real estate industry. The delegation met with Representative Cramer's staff (House was not in session to visit Rep. Cramer), Senator Heitkamp's staff and Senator Hoeven.

The legislative talking points discussed were: 1) Preserve Real Estate – Related Tax Policies. We expressed concerns about the preservation of the Mortgage Interest Deduction, Property Tax Deduction and Like –Kind Exchanges. Given it's an election year, tax reform is unlikely to move in 2014. 2) Preserve the Mission and Purpose of the FHA Program. We asked that House bill 2767, the PATH Act (it would eliminate government participation in the secondary market) to be opposed as it would reduce the role of FHA and to support Senate Bill 1376, the Solvency Act as it would provide additional tools to FHA to better manage risk to tax payers. 3) Reform the Secondary Mortgage Market to provide certainty the US Housing Market. We asked for enactment of housing finance reform that will: Ensure there is government participation in the secondary market; safeguard the availability of long-term mortgage products such as 30 year mortgage loans; encourage private capital to return and provide consumers in all markets with access to mortgage credit under all economic conditions.

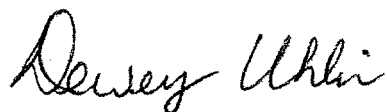
Given it is an election year, it is unlikely much work will be done in Congress regarding tax reform but as NAR Chief Lobbyist Jerry Giovaniello warned us in the Federal Update session, we need to remain vigilant as Congressional action could happen when least expected.

REGION 8 CAUCUS

The caucus meeting was called to order by Regional Vice President Henry Kammandel who is from Nebraska. There were reports given by the state presidents of their respective states. Region 8 RPAC trustee Tom Murphy reported Region 8 is on track to reach its contributions goals for 2014.

John Smaby, a Realtor from Minnesota and resident of the Twin Cities area asked for support from Region 8 as he announced his candidacy to seek the position of NAR President. John's father served as NAR President. We wish him the best!

Thank you for the honor and privilege to serve as your National Director!

A handwritten signature in black ink, reading "Dewey Uhler". The signature is written in a cursive, flowing style.

Dewey Uhler