

## **A Message from NAR President Tracy Kasper – Transcript October 23, 2023**

Hello Everyone! I am here today on behalf of our Leadership Team and our Executive Committee to bring you all an update on the work that we've been doing to enact meaningful change across our organization and an update on some industry news.

Like you, I am a broker/owner and I list and sell real estate every single day. And as I have said before, as practitioners we run into situations often that we didn't anticipate. But as professionals, we work through them and at NAR, we are doing exactly that.

Last month when I began my term as president, I affirmed the unwavering commitment of the Executive Committee and Leadership team to evolve NAR into a better organization for its staff and members. I promised then that we would look at our existing policies and practices and make them stronger, while also determining the best safeguards and procedures to ensure a safe, supportive, and empowering environment for everyone.

You'll hear me repeat those three words during my tenure – safe, supportive, empowering –, because when an organization is rooted in a culture that makes people feel those three things, it can do great things and NAR exists to do great things. We have a history of doing great things, and that means that each of you deserves to work with an organization that allows room for you to focus, grow, and be proud. And at the end of the day—help you to successfully represent your clients and communities.

I also promised quick action. And one month in, we have information to share about what we've done.

In September, we announced immediate actions that NAR is taking with our members and our staff.

And each of these actions is being led by experienced and independent outside professionals.

First, we established a new Policies and Procedures Task Force. This task force will work with Maggie Hickey at ArentFox Schiff, an outside law firm, who will conduct an independent assessment of our existing policies and practices and make recommendations to improve our procedures, our trainings, and our systems. This will help prevent inappropriate behavior, encourage reporting of alleged misconduct, and promote an environment of transparency and accountability.

A key update here is that task force members have been elected and they've accepted their appointments. They've already met and have established a cadence of meetings to put together the right recommendations for the organization.

Second, we established a new member Special Committee to address claims of member misconduct. This Special Committee will work with outside legal counsel at Salvatore, Prescott, Porter & Porter, a law firm specializing in internal investigations and led by Julie Porter, who

will independently investigate harassment, discrimination, or misconduct complaints and report back to the Special Committee with findings and suggested remedial actions.

Here, as well, the Special Committee members have been elected and accepted their appointments.

Third, we are implementing processes to ensure that all employee-to-employee complaints are sent directly to an outside independent investigator for review.

And lastly, we established a new Culture Transformation Commission led by Dr. Shaun Harper from the University of Southern California. The purpose of the CTC is to gather insights from our members, our local and state association staff, and our NAR staff to make recommendations on how we can transform our culture.

We have already appointed 50 of the 75 commissioners to serve on the CTC – consisting of our NAR members, and our local and state association staff; and the NAR staff have elected 25 commissioners amongst themselves to serve. We utilized a comprehensive process to ensure that this group of 75 is representative of the broad viewpoints at NAR.

The CTC will also be facilitating a town-hall style forum at NAR NXT in November, which will be another opportunity for us to gain insights on our current culture.

Now, while we are moving quickly to put the right processes and procedures in place, we also know that change takes time. We will continue to listen closely to the feedback that we are receiving from all of you. We will adapt where appropriate, and ensure that our decision-making is rooted in what is best to strengthen our organization and to move NAR forward.

I would also like to speak to some of the industry developments that many of you have likely been following.

We've seen news about choices some of our members are making. For example, Redfin shared with us in June that they were separating from NAR, which is an independent business decision that they recently made public. You've also likely heard that RE/MAX and Anywhere Real Estate are proposing, as part of an ongoing lawsuit settlement, that they will no longer MANDATE their franchisee owners to be NAR members—instead, those owners will have the option of joining the association.

Brokerages are independent, legal entities that of course, make their own business decisions. Each brokerage determines whether it wants to join our Association to receive the benefits of membership. It has always been incumbent at every level of our association – local, state, and national – to communicate the value that we provide our members, which I believe is significant.

With 1.5 million members, NAR is the largest trade organization in the country. And as such our advocacy efforts are second to none. We also provide training, education, community outreach, standardized forms, dispute resolution through our code of ethics and access to the MLS, our local broker marketplaces.

And as you know, our guidelines for those marketplaces are designed to deliver comprehensive, equitable, and reliable data to our consumers. And they ensure that brokerages of any size, service, or pricing model have a fair chance at serving their communities.

NAR is unwavering in its pro-consumer, pro-competitive guidance for affiliated MLS' that ensure equity, efficiency, transparency and market-driven pricing options for our buyers and sellers. Real estate is a market, and NAR exists to do what is best for that marketplace and our consumers.

I am proud of our organization and what it does. And I'm confident that our best days are ahead.

As we approach NAR NXT, I look forward to seeing all of you, hearing your feedback and working toward our common goal. Our mission is to be a trusted ally for you, our members, and to help guide you and those you serve. We are here to empower all REALTORS® as we preserve, protect and advance the right to real property for all. Thank you.