

## RCE CAE PLUS RCE BODY OF KNOWLEDGE

### A Guide for the Successful REALTOR® Association Executive

- ❖ This document specifically identifies areas from the Body of Knowledge that comprise the RCE CAE Plus exam. AEs preparing for the RCE CAE Plus exam should review this Body of Knowledge.

The desired skills, attributes, and knowledge base of a successful REALTOR® association executive (AE) vary from association to association, depending on association’s size, organizational structure, and demographics, as well as the diverse needs of its members.

This document identifies competencies in which an AE shall be proficient to successfully serve the evolving REALTOR® association. Within each competency there are three levels of knowledge. Each of the competencies is attached to a body of knowledge that identifies topics leading to proficiency at the three defined levels.

#### MANAGE THE ASSOCIATION AND ITS BUSINESS OPERATIONS

Association executives (AEs) today need a comprehensive skill set, including the ability to prioritize time, finances, materials, space and human resources; to plan and coordinate processes to produce desired results; build a professional environment of trust and respect; and optimize association resources to ensure effectiveness of association decisions and provide knowledge for members.

<b>ADMINISTRATIVE LEVEL</b>	<b>MANAGEMENT LEVEL</b>	<b>LEADERSHIP LEVEL</b>
Possess general knowledge of business and financial operations; establish good working relationships with service providers, volunteers and staff; efficiently administer association business.	Develop and manage staff around an organizational plan with clear responsibilities; ensure that strategic planning and business planning processes are in place.	Seek out new and innovative programs, products and services; develop creative management solutions; cultivate a highly evolved and trained staff team; be a respected and motivating influence for staff and leaders.

#### COMMERCIAL SERVICES AND STRUCTURES

❖ Understand commercial structures and overlay boards		
❖ Understand the services offered to associations through NAR’s Commercial team		
❖ Understand how NAR supports the commercial real estate sector, including resources and services available for members on <a href="http://www.nar.realtor/commercial">www.nar.realtor/commercial</a>		
❖ Understand the Institute Affiliate Dues structure		
❖ Understand NAR’s industry partners, including the five NAR commercial affiliate organizations and other external organizations		
❖ Provide access to NAR’s commercial resources, including research and technology tools (RPR Commercial, <a href="http://www.commercialsearch.com">www.commercialsearch.com</a> ) and commercial advocacy information)		

<b>LEGAL AND REGULATORY ACTIVITIES</b>		
❖ Maintain, or have access to, legal counsel, as mandated by the NAR Core Standards, and understand how to select and manage outside counsel relationships, including litigation management and basic litigation principles		
❖ Understand the application of the Americans with Disabilities Act (ADA), state and local regulations to association activities and ensure compliance, including website accessibility compliance		
❖ Have an understanding of antitrust laws fundamentals and ensure association's compliance with these laws; provide training to volunteer leadership and information to members regarding anti-trust		
❖ Implement and maintain a document retention policy and ensure compliance		
❖ Minimize liability for the association, officers, directors, and committees, through understanding providing training to leadership on fiduciary duties and other key responsibilities		
❖ Understand and ensure compliance with trademark policies applicable to the REALTOR® trademark		
❖ Understand intellectual property laws, including patent laws and copyright law concepts, and the licensing of music, software, photos, etc. to ensure compliance and avoid legal liability		
❖ Understand insurance policies, coverage, and limits of insurance, particularly NAR's umbrella professional liability policy; understand and determine coverage and limits of NAR's Umbrella Policy and combine with commercial coverage where applicable		
❖ Understand the legal liabilities of social media		
❖ Understand basic contracting principles and concepts, and contract clauses, such as		

indemnification, limitations of liability, force majeure and governing law, to protect the association and protect it from potential liabilities for association		
<b>PRODUCT/PROGRAM DEVELOPMENT</b>		
❖ Identify core vs. optional services and determine whether the product/service offering is consistent with association's mission statement and strategic plan and value proposition	❖ Develop and conduct a member needs assessment to determine products and services needed by membership	
❖ Identify available NAR, state, and local programs and products and communicate the offerings to membership	❖ Develop and conduct member, market, and competitive research to determine if the product/service is feasible for delivery, including a cost/ benefit analysis	
❖ Assess the impact of a product or program for any association liability, impact on tax status, and staffing	❖ Create a business plan for products/services including the product requirements, rationale, funding and implementation plan	
❖ Periodically re-evaluate association products/ services throughout the product life-cycle		
<b>UNDERSTAND THE STRUCTURE OF THE REALTOR® ORGANIZATION WITHIN THE CONTEXT OF THE EVOLVING REAL ESTATE INDUSTRY</b>		
Demonstrate the ability to analyze, interpret, and apply REALTOR® association governance, policies, and procedures to understand and work with the governance and structure of the REALTOR® association.		
<b>ADMINISTRATIVE LEVEL</b> Understand the fundamental structure of the REALTOR® organization; ensure that association's governing documents comply with NAR requirements.	<b>MANAGEMENT LEVEL</b> Have an in-depth understanding of NAR policies and procedures, as well as local and state associations; take an active role in the REALTOR® organization.	<b>LEADERSHIP LEVEL</b> Make a difference – contribute to policy formulation and the direction of the REALTOR® organization.
<b>ADVOCACY AND REALTOR® PARTY</b>		
❖ Understand the local, state, and national expectations and goals for Call-For-Action (CFA) rates and REALTOR® Political Action Committee (RPAC) fundraising	❖ Understand and identify the fundamentals of applying for NAR REALTOR® Party grants, programs and services	❖ Identify both traditional and non-traditional coalition partners, and ways REALTOR® goals and values align with other organizations, such as real estate industry organizations, housing and finance trade associations, property rights coalitions, workforce and affordable housing organizations and chambers of commerce
❖ Identify information, programs, and data available for REALTOR® voter registration and voting engagement efforts	❖ Understand evaluating candidates, the candidate interview process and legal requirements for disbursements of PAC checks	❖ Identify strategies to affect public policies, including utilizing REALTOR® Party programs, services and grants, and other methods to elect REALTOR® friendly candidates; mobilize members when action is needed

		and to influence in community development decisions
❖ Understand the expectations and directions of the NAR Core Standards Advocacy section	❖ Coordinate with neighboring associations, the state/local associations, and coalitions on key issues and efforts	❖ Identify resources available for policy development strategies and support
❖ Be familiar with the resources on realtorparty.realtor; be able to find information about the REALTOR® Political Action Committee (RPAC), political funding, grants, programming and other resources at the local, state, and national levels	❖ Be intimately familiar with the application process of the various political programs, grants and resources at the local, state, and national levels	
❖ Have connections with government affairs professionals at the local, state, and national associations who administer political and government affairs activities, including PAC legal compliance	❖ Develop and administer education programs for REALTOR® on political and legislative processes	
	❖ Develop and administer programs for monitoring and advocating for government affairs priorities at the local, state, and national level	
	❖ Understand the role of the local Government Affairs Director (GAD) and associated responsibilities (monitoring governments, reporting to members, representing the association in public policy development, etc.)	
<b>GOVERNING DOCUMENTS AND POLICY</b>		
❖ Understand the components of and be able to apply/ comply with the following: Bylaws, NAR Model Bylaws; Constitution; and Articles of Incorporation	❖ Understand the difference between bylaws (broad statement) and policies (precise statements); understand how and who can modify or amend bylaws and policies	
❖ Understand and enforce the REALTOR® dues formula		
❖ Know the function and purpose of governing documents, policies, and procedures		
❖ Maintain governing documents in compliance with NAR policy		
❖ Be able to obtain approval of governing documents by NAR (a condition of coverage under NAR's Master Professional Liability Insurance Policy)		

❖ Understand and ensure compliance as mandated by the NAR Core Standards		
<b>INSTITUTES, SOCIETIES, AND COUNCILS, AND NAR DESIGNATIONS, CERTIFICATIONS, AND CERTIFICATE COURSES</b>		
❖ Identify the Institutes, Societies and Councils and understand the scope of their respective designations	❖ Identify and assess the need for developing specialty sections or councils (e.g., appraisers, property managers)	
❖ Identify the various NAR Designations and Certifications and understand their purpose in the marketplace	❖ Know the steps needed to bring a NAR designation or certification course to the association and what resources and support are offered by NAR and the ISCs	
❖ Be aware of programs offered by NAR Academy in partnership with Columbia College		
<b>MEMBERSHIP POLICIES AND PROCEDURES</b>		
❖ Understand board of choice (BOC) and how BOC policies apply to other association services: <ul style="list-style-type: none"> <li>❖ Identify how BOC applies to a designated REALTOR®</li> <li>❖ Identify how BOC applies to a firm's licensees where the firm's DR belong to different boards/associations and where the firm operates in multi-state markets</li> <li>❖ Identify the requirement for a REALTOR® (non-principal) to choose an association as primary</li> <li>❖ Identify how NAR dues formula applies to a DR who holds both primary membership in one association and secondary membership in another</li> <li>❖ Identify whether a secondary member may receive multiple listing services</li> </ul>		
❖ Identify, implement and enforce member policies and procedures, including: <ul style="list-style-type: none"> <li>❖ types of membership</li> <li>❖ membership qualification criteria</li> <li>❖ application process</li> </ul>		

<ul style="list-style-type: none"> <li>❖ membership privileges and obligations (including triennial Code of Ethics training requirement)</li> <li>❖ membership suspension, expulsion or termination</li> </ul>		
<b>MLS POLICIES AND DELIVERY OF SERVICES</b>		
<ul style="list-style-type: none"> <li>❖ Understand the value and purpose of MLS, including ancillary services</li> </ul>	<ul style="list-style-type: none"> <li>❖ Understand the use of listing content and the enforcement procedures for state and federal regulations, intellectual property rights, and applicable laws (antitrust, copyright, agency)</li> </ul>	
<ul style="list-style-type: none"> <li>❖ Be able to describe the differences between core, basic and optional services</li> </ul>	<ul style="list-style-type: none"> <li>❖ Understand the role of MLS policy and license agreements to authorizing the access to and use of MLS data</li> </ul>	
<ul style="list-style-type: none"> <li>❖ Understand the difference between an MLS subscriber and participant and how their rights/privileges differ</li> </ul>	<ul style="list-style-type: none"> <li>❖ Understand the unilateral offer of compensation in MLS and the determining factors for procuring cause</li> </ul>	
<ul style="list-style-type: none"> <li>❖ Understand the different MLS operational structures (committees, corporations and regional entities) and the NAR MLS policies and model documents</li> </ul>	<ul style="list-style-type: none"> <li>❖ Understand the potential benefits of MLS regionalization, cooperative, and reciprocal agreements</li> </ul>	
<ul style="list-style-type: none"> <li>❖ Understand listing content management and distribution including ownership (copyright vs. license) and authorized displays and possible uses of MLS data by participants, subscribers, and others including IDX, VOW, syndication, aggregation and other service vendors</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop and implement policies regarding data feeds for subscribers, participants, and third-parties</li> </ul>	
<ul style="list-style-type: none"> <li>❖ Understand NAR Model MLS Rules and their impact on MLS services and delivery and ensure policies are in compliance with NAR MLS policies and model documents</li> </ul>	<ul style="list-style-type: none"> <li>❖ Develop and implement policies regarding the public distribution and use of MLS statistics</li> </ul>	
<ul style="list-style-type: none"> <li>❖ Understand the value and functions of RESO, data dictionary, WEB API, and industry data standards</li> </ul>		
<ul style="list-style-type: none"> <li>❖ Enforce NAR MLS Rules and Regulations, including the NAR MLS Antitrust Compliance Policy</li> </ul>		
<b>PROFESSIONAL STANDARDS</b>		

❖ Know components of the Code of Ethics, the NAR Handbook on Multiple Listing Policy, and the Code of Ethics and Arbitration Manual	❖ Promote and explain the benefits of the dispute resolution system for buyer and seller (DRS)	❖ Promote the benefits of the mediation process as compared to the arbitration process
❖ Be able to explain the duties of the REALTOR® under the Code of Ethics and how they apply to his/her daily business	❖ Understand the optional sections in the NAR Code of Ethics and Arbitration Manual that may be adopted at the discretion of the association	❖ Promote the benefits of the ombudsman process compared to the ethics process and the arbitration process
❖ Describe the general steps for processing an ethics complaint and for processing an arbitration request (including who is eligible to file and the differences between an ethics complaint and an arbitration request)	❖ Understand the options available to REALTOR® associations to expedite complaints – fast track processing, ethics mediation, citation policy, anonymous complaints, expedited administrative ethics procedures	
❖ Know the role and scope of the Grievance Committee, Professional Standards Committee and the Board of Directors in conducting ethics hearings, arbitration hearings and appeal hearings	❖ Understand sanctioning guidelines (Appendix 7 VII, Part 4) and the principles of progressive discipline	
❖ Understand and enforce NAR's Code of Ethics training requirements		
❖ Understand and enter into a cooperative enforcement agreement		
❖ Understand NAR's REALTOR® Association Dispute Resolution Process		
❖ List the basic principles of due process and how they apply to administrative timelines and the role of the Association Executive to ensure parties a fair and impartial hearing		
❖ Understand the differences between mandatory and voluntary arbitration		
❖ Know the elements of an ethics decision including: (1) clearly articulated findings of facts that support the conclusion and are reasonably applicable to the cited articles (2) progressive discipline and (3) use Declaratory Relief when appropriate		
❖ Understand what a REALTOR® association may publish about a member found in violation of the Code of Ethics		

❖ Promote and explain the benefits of mediation		
❖ Promote and explain the benefits of the ombudsman service		
❖ Understand both employee and member roles in the observance of confidentiality		
❖ Understand who must be disqualified/excused from any tribunal considering a professional standards matter		
❖ Understand the NAR Core Standards that apply to professional standards		
❖ Understand the relationship between REALTORS® on the various tribunals, and their roles compared to the AEs in the professional standards process		
<b>UNDERSTAND REAL ESTATE ISSUES AND TRENDS</b>		
Understand the diverse issues that foster a successful real estate operation, as well as the forces that are shaping the industry; manage these changes to ensure an environment that puts the REALTOR® at the center of every real estate transaction; analyze and affect the impact of issues and trends in the industry.		
<b>ADMINISTRATIVE LEVEL</b> Possess a basic understanding of the real estate industry – functions of an agent, broker, firm; understand members and their business in your market area.	<b>MANAGEMENT LEVEL</b> Develop a working knowledge of real estate license laws and real estate firm operations; focus more on the industry and industry trends; develop working relationships with your organization’s internal and external constituents.	<b>LEADERSHIP LEVEL</b> Identify critical issues and trends before they impact the members; build trust and confidence in the association and its members.
<b>DIVERSITY, EQUITY AND INCLUSION</b>		
❖ Be knowledgeable about the many types of diversity (age, gender, racial and ethnic background, etc.) in local markets, in the membership and in association leadership	❖ Communicate demographic trends, statistics, the value of inclusion, and ideas to the membership and leadership	
❖ Identify the purposes of NAR’s Leading with Diversity workshop and Diversity Grants	❖ Identify and promote community outreach programs, leadership development programs, and mentoring programs for diversity	
❖ Understand and communicate the importance of meeting the association’s goals of structuring the Directors/ committees to be inclusive and reflect the diverse membership		
<b>FAIR HOUSING</b>		
❖ Be knowledgeable about federal, state, and local fair housing laws, types of potential violations and	❖ Incorporate fair housing issues into education programs	

the consequences, and where complaints may be filed		
❖ Understand the importance of and the application of Article 10 of the Code of Ethics		
❖ Promote the principles of fair housing		
❖ Develop regular fair housing communications to members		
❖ Be familiar with NAR fair housing resources and grant opportunities to support local initiatives		
❖ Understand how fair housing laws, including those relating to advertising, are enforced in the community		
❖ Educate members on fair housing testing and its implications		
<b>GENERAL REAL ESTATE PRACTICES</b>		
❖ Know the basics of real estate contract law	❖ Be knowledgeable of real estate office employment issues	
❖ Understand license law and regulations; identify agencies that regulate licensees	❖ Understand broker/agent relationships	
❖ Understand the liabilities inherent in real estate activities (e.g., misrepresentation, negligence)		
❖ Be knowledgeable of disclosure requirements and related documentations to reduce liability (e.g., Megan's Law, stigmas)		
❖ Understand basic listing/sales procedures, and terminology		
❖ Describe the difference between Exclusive Right to Sell and Exclusive Agency agreements		
❖ Understand independent contractor status and brokerage models		
❖ Have a basic understanding of agency, agency relationships and agency disclosures		
❖ Have a general understanding of basic real estate forms, particularly those offered by the local and state associations and ensure forms are regularly updated		
❖ Have a general understanding of TRID (TILA/RESPA Integrated Disclosures)		

❖ Identify NAR resources for brokers		
❖ Be knowledgeable of record-keeping requirements for real estate practitioners		
❖ Understand privacy laws (Do-Not-Call/Fax, Can Spam, etc.) as they pertain to real estate		
<b>GLOBAL</b>		
❖ Be knowledgeable about the cultural diversity (racial and ethnic background, languages spoken, etc.) within the local market in the membership and in association leadership	❖ Raise awareness of NAR Global Programs and services to share with members in addition to awareness of the Global Achievement Program	❖ Understand your role as a leader in connecting your association with economic development groups or local government entities to be sure the real estate industry is part of the larger discussions on foreign direct investment opportunities in your state
	❖ Identify and promote community outreach programs, leadership development programs, and mentoring programs for global	
<b>REAL ESTATE ISSUES AND TRENDS</b>		
❖ Work with leadership and volunteers to identify the industry's major member/broker liability issues	❖ Have a working knowledge of the basic economics of prevailing real estate brokerage business models (e.g., split commission, 100% commission, limited service) and their impact on members	❖ Identify, evaluate and develop action plans to address emerging real estate issues and trends
❖ Understand the day-to-day operations of real estate practitioners	❖ Understand trends affecting the transfer and ownership of real estate; this includes funding, document processing, title and escrow, and taxes	❖ Understand how the rapid evolution of technology impacts deliverables (products and services) of associations and MLSs
❖ Understand the types of government regulation impacting real estate brokerage, licensing and educational requirements	❖ Understand regulations affecting the ownership and transfer of real estate, fair housing, and diversity	❖ Stay informed about social, political, technology and demographic trends and how those trends affect the real estate market and the business activity of members
		❖ Develop a leadership pipeline that accommodates changing member demographics and real estate business trends
		❖ Analyze the impact of changing consumer demands and demographics and provide direction to members and the association
		❖ Be knowledgeable about consumer demands and trends affecting the real estate transaction, including competitive

		entities and services to REALTORS <sup>®</sup> , such as FSBOs, third party aggregators, syndication, energy and green, MLS services and potential replacements, and related technologies
<b>COMMUNICATE VALUABLE INFORMATION</b>		
Identify, acquire, interpret, and communicate valuable information to association members and external audiences; market programs and services that meet member needs; use knowledge, skills, and technological tools to achieve desired results; relate information from outside sources to support members in their day-to-day business.		
<b>ADMINISTRATIVE LEVEL</b> Identify appropriate communication channels and use them effectively to gain and disseminate information.	<b>MANAGEMENT LEVEL</b> Identify and analyze valuable information, and communicate its impact; manage comprehensive public relations and outreach programs to build the association's image in the community.	<b>LEADERSHIP LEVEL</b> Become a trusted and sought-after source of valuable information for the public, the media and affiliated professionals; master communication methods to collect and disseminate "knowledge"; develop a comprehensive member communications program.
<b>PUBLIC RELATIONS PROGRAMS</b>		
❖ Utilize the public relations tools provided by NAR and the state association	❖ Develop and maintain a media relations plan	❖ Develop and communicate the vision for the public relations strategy to both staff and leadership
• Develop a spokesperson policy regarding communications with local media	❖ Define and understand public relations and the differences between PR and publicity	❖ Develop and implement an effective strategic public relations and related communication plan
	❖ Create a strategy for a public relations program that promotes REALTOR <sup>®</sup> value and positions the REALTOR <sup>®</sup> organization as the recognized resource for real estate information within the community	
	❖ Determine what content is relevant and newsworthy (articles, photos, videos, blogs) to various media outlets	
	❖ Develop consumer outreach programs using NAR Core Standards guidelines	