

CAR Legal & Risk Division Report

CAR Spring Summit – April 2024
Connie Tremblay, Division Vice President

The Legal & Risk Division includes Professional Standards, Core Standards, and Local Association Outreach and Support. Legal & Risk Committees include Professional Standards and Grievance Committees; also includes the MLS and Risk Management Forums.

PROFESSIONAL STANDARDS

The Division's Statewide Professional Standards Program gives local associations the option to have their professional standards administered by CAR for an annual fee. The Division currently administers professional standards for 26 of the 28 local associations in the state. The vast majority of local associations choose to utilize the Statewide Program primarily due to the significant amount of staff time required to maintain a viable professional standards program that enforces the Code of Ethics and provides mediation and arbitration as member services. The Statewide Program allows local associations to meet NAR's professional standards requirements without making it necessary for them to hire staff and/or expend staff time on the administering of professional standards.

In July 2023, the Denver Metro Association of REALTORS® (DMAR) joined the Statewide Program and transferred their active cases to CAR. To be able to administer DMAR's professional standards program and manage the increase in cases and complaint inquiries, the Division has placed a greater emphasis on our Ombuds Program. Our Ombuds volunteers have successfully resolved many disputes before formal complaints are filed, making it possible for us to keep our caseload manageable even with DMAR joining the Statewide Program.

CAR CASE STATISTICS

➤ ETHICS: 2023

- 40 Ethics Complaints were filed
 - 50% filed by consumers, 50% filed by REALTORS®
- 15 Ombuds requests (since official tracking began in August 2023)
 - All but 3 issues resolved
- 7 Citations issued by Grievance Committee
- 11 Ethics hearings held
- Most violated: Articles 1 & 16

➤ ETHICS: Year-to-Date

- 14 Ethics Complaints received
 - Nearly 3 times more complaints filed YTD than at this point last year
 - 11 complaints filed by consumers, 3 filed by members
- 1 Citation issued thus far
- 3 Ethics hearings held, 4 scheduled for April/May
- Article 16 has been most violated so far
- 15 Ethics cases open in various stages of the ethics process
- 10 Ombuds requests received, 100% resolved!

➤ **ARBITRATION: 2023**

- 9 Arbitration Requests filed
- 2 Arbitration hearings held
- 1 Mediation
- No Procedural Reviews

➤ **ARBITRATION: Year-to-Date**

- 5 Arbitration Requests received
- 1 Arbitration hearing held, 4 hearings being scheduled
- 1 Mediation
- 5 Arbitration cases open in various stages of the arbitration process

There is a continued effort to ensure proper training of the Professional Standards Committee and Tribunal Members. The Division offers the 6-hour Professional Standards Enforcement Training twice each year, once in the spring and once in the fall. This training is required for members of CAR's Professional Standards Committee. The spring 6-hour training will be held in person at the CAR office on April 24th and will be instructed by CAR General Counsel Scott Peterson with assistance from CAR's Professional Standards Administrators, Lauren Feigin, Ryan Summers, and Stacey Overman. The fall 6-hour class will be offered virtually November 14th and 15th and will be instructed by Diane Disbrow. Diane will also instruct a Grievance Committee training which the Division will offer virtually on November 12th.

The Legal & Risk Division will hold its annual Ethics Day virtual ethics course on June 6, 2024. Instructed by Scott Peterson and Damian Cox, this course will give members an opportunity to complete their NAR ethics training requirement while also earning 3 CE credits.

To continue adding to our pool of trained Mediators and Ombuds, the Division sends two members to attend NAR's Mediator Training in Chicago each year. Members interested in attending the training go through an application process starting in May. CAR's Leadership Council votes to select the two applicants who will receive grants to attend the training. NAR's Mediator Training will be held September 4-6, 2024.

The Grievance Committee continues to meet monthly via Zoom to review ethics complaints and arbitration requests. The Appeals and Ratification Panel continues to meet monthly via Zoom to ratify ethics Hearing Panel decisions and review appeals.

The Professional Standards Committee will be considering five proposed changes to CAR's Professional Standards Policy Manual at Spring Summit. The proposed changes would add qualifications to the eligibility requirements for serving on the Professional Standards Committee, the Grievance Committee, and for members who serve as Ombuds for CAR.

A Board Forum will be held at Spring Summit for local association AEs, Presidents, and Presidents-Elect to connect with other board leaders of similar-sized boards and share ideas and feedback with each other and with CAR.

BOARD OUTREACH & SUPPORT

CAR holds monthly virtual meetings with the local AEs to maintain a consistent dialogue between the local associations and the state association. At the monthly meetings we share information about upcoming events and initiatives, discuss issues impacting the industry, and work together to ensure we are providing valuable benefits and services to members at both the local and state level. In between meetings, the Division shares announcements, updates, and information with the AEs via regular “AE Info-Drop” emails.

CAR continues its Board Outreach with visits to local associations and by participating in local association events. CAR promotes its value proposition and member benefits during these in-person opportunities.

CAR continues to offer the Pat Teck AE Institute Scholarship. The scholarship is intended to help AEs attend NAR’s annual AE Institute who may otherwise be unable to attend due to costs. This year’s scholarships were awarded to Patricia Schmidt, AE of the Royal Gorge Association of REALTORS®, and Stacy Huyler-Fisher, AE of the Estes Valley Association of REALTORS®.

At this year’s AE Institute in San Diego, CAR held a State Night Out reception for the Colorado AEs at a local rooftop venue. The reception was a way for CAR to show our appreciation for the AEs and was a great opportunity for them to connect with one another.

CAR will hold its ninth annual AE Symposium on July 9-11 at the Elizabeth Hotel in Fort Collins, CO. This event is an opportunity for AEs from across the state to come together to learn and collaborate with one another, to learn from engaging speakers, and to strengthen the connections between AEs and the state association. The AE Symposium provides AEs with the six hours of professional development they are required to complete annually for Core Standards.

CORE STANDARDS

To assist local associations with Core Standards, CAR sends Core Standards information and resources to the AEs, and holds several classes, webinars, and events throughout the year which local associations can utilize to meet various Core Standards requirements. The Legal & Risk Division also offers to review each local association’s Certification Form prior to final submission and provides progress reports identifying areas requiring attention.

RISK MANAGEMENT & MLS FORUMS

CAR will be holding an MLS Forum during the 2024 Spring Summit. CAR General Counsel Scott Peterson will provide an update on NAR’s proposed settlement and speak about the importance for REALTORS® to communicate their value. Scott will also be presenting his “10 Things” Legal Session at Spring Summit which will be offered in place of a Risk Management Forum.

CAR continues to produce “Legal Bites” – short videos discussing real estate-related legal issues presented by Scott Peterson.

The Legal & Risk Division is projected to operate within the approved 2024 Budget.