

GOOD SENSE GOVERNANCE

Legal Affairs & Association and MLS Governance

4 SIMPLE STEPS TO MAINTAIN GOVERNING DOCUMENTS IN COMPLIANCE WITH NAR POLICY

WHY COMPLY

Maintaining association and MLS governing documents in compliance with NAR policy benefits the REALTOR® community, reduces the entity's legal vulnerability and is a prerequisite for being eligible for NAR's free professional liability insurance coverage. For the latter, professional liability insurance coverage is available to state and local Associations of REALTORS®, MLSs, and NAR's Institutes, Societies and Councils **so long as**, those entities' governing documents and operations adhere to the Constitution and Bylaws of NAR and the policies adopted, and amended from time to time, by the NAR Board of Directors.

HERE'S HOW TO REMAIN IN COMPLIANCE:

1. Know which documents need to comply.

In a nutshell, any association or MLS governing document that sets forth enforceable policies or rules related to membership, professional standards, or the multiple listing service. These include:

- a. Association bylaws;
- b. If the association owns/operates an MLS, its MLS rules and regulations, and MLS bylaws (if the MLS is separately incorporated);
- c. Lockbox policies and rules;
- d. Employee/Employment Handbook;
- e. A "policies and procedures manual", or other such document, if it contains enforceable membership, MLS or professional standards provisions.

All information about the NAR Insurance Program, including the Lockbox security requirements and the Employer/Employee Guidelines, are available on the [NAR Insurance Program page](#).

2. Review the annual summaries of NAR policy changes.

Each year NAR publishes summaries of changes to its policies and you will find them [here](#). The changes that are suggested or required have undergone a thorough review process through a governance committee and NAR's Board of Directors and have been reviewed by NAR's legal team. Thus, by keeping up to date with NAR's policy changes, you are keeping your association on firm legal footing.

3. Know the deadlines for adoption and certification.

Associations and MLSs are required to adopt any mandatory changes – and certify that you’ve adopted them -- within sixty (60) days of the effective date of new or amended NAR policies. The effective date for new or amended policies is January 1 of the year following their approval by NAR’s Board of Directors, unless the NAR Board of Directors provides for an alternate effective date. This means that, for the vast majority of policy changes, adopting the changes by March 1 will be required. When a different effective date has been chosen by the NAR board of directors, that effective date will be notified and published on [nar.realtor](https://www.nar.realtor). Each association and MLS will want to consult the “amendments” section of its respective governing documents to ascertain the steps that will need to be taken locally to make amendments required by NAR policy changes.

4. Add reminders to your calendar.

To help ensure that you don’t miss deadlines to adopt changes, and certify that you’ve adopted when they are required, add calendar events to your calendars for the following dates and choose to have them repeat on the same dates each year.

- a. **January 15:** Each year on January 15, review NAR’s changes to policies for the year [here](#) (link is the same each year)
- b. **Before March 1:** If NAR mandates changes for the year, schedule meeting(s) to discuss the changes with your local association leadership and adopt those changes by March 1st
- c. **By March 1:** certify that you’ve adopted mandatory changes via the form offered on [this page](#):

ADDITIONAL RESOURCES

- [Bylaws Certification Process, Information and Resources](#)
- [MLS Governing Document Certification Process, Information and Resources](#)