

## **RISK MANAGEMENT ISSUES COMMITTEE**

**NOVEMBER 11, 2022**

Risk Management had their opening education session on Cybersecurity and Clear Cooperation Policy. It began with Special Agent Andrew Sekela of the Federal Bureau of Investigation. He spoke to us about business email compromise schemes which involve internet and wire fraud. From 2020 to the present, there have been more than 2.4 billion dollars in losses due to email schemes. Most people fall for these schemes believing they are legitimate because an email address is "spoofed" and has only one character in the address that is different from the actual "real" address. In 2022, the average loss amount has been \$100,000 and he reported more than 41,058 domestic victims since 2018.

Next we heard from Christine DeRosa, NAR Member Information and Ecommerce Product Leader. She spoke to us on the importance of all offices and agents having a data prevention and destruction policy. This policy needs to include all types of data, even electronic records. She recommended that everyone use a password manager or password vault and to make your passwords complicated. Though it is a pain to think of a new password for each account that requires one, it is important for safety purposes. Also, make sure you update your software frequently to ensure all safeguards are built into your programs by the manufacturers as well! In the event you are struck by someone wanting ransom to release info on one of your accounts, contact the appropriate authorities, (typically the FBI) and the FBI say to never pay ransom.

Jason Sanchez, Director, MLS Engagement NAR gave us a brief review on the Clear Cooperation Policy and reminded us that it means that within One day of marketing a property to the public, it MUST be submitted to the MLS!

Charlie Lee, senior counsel, director of Legal Affairs NAR did question and answer session on clear cooperation and other questions. He touched on what a business day is and that it excludes Saturdays, Sundays and holidays, but that the cut off MUST be before midnight, 12 am. He also reminded us that the scope of Clear cooperation applies only to public marketing.

After the education session was completed we had a legal update from Matt Troiani, NAR Senior Counsel and Director Legal Affairs. He gave an update on the status of the various lawsuits NAR is involved in. He stressed the importance of all REALTORS making sure they discuss with their customers and clients how exactly they get paid. He said there are lots of resources available to share with clients on Competition.realtor as well as many fact sheets and articles available.

Zach Vollmer from Victor Insurance, an E& O Insurance was unable to be with us, but gave us a few facts for 2022 regarding E&O claims in 2022. The average claim paid in 2022 was \$39,000. Claim frequency continues to rise each year over the previous years and Fair housing claims seem to be rising nationally.

We heard one last time from Charlie Lee with an Arello update. He mentioned that some of the topics Arello had been discussing were some of the same issues we have been having in ND. He mentioned both the 40 year contract and wholesaling as being on Arello's radar for discussion as well as Broker supervision and what exactly does that mean? He said until Broker supervision is defined, it is difficult to have a course of action or to make a ruling on it.

Thank you for allowing me to serve on this committee and represent ND!

Respectfully submitted,

Vicki Roller

## **NAR Board of Directors**

### **Orlando, November 14, 2022**

Highlights of the November 2022 BOD meeting are as follows:

Directors had a report from a contingency of REALTORS from Ukraine. They expressed their thanks for all the donations and support they have received from all their REALTOR friends in the National Association of REALTORS.

Distinguished Service Awards were presented to Chris McElroy, Colorado and Cindy Chandler, North Carolina. Tessa Hultz from the Long Island Board of REALTORS was the recipient of the William R. Magel Award of Excellence.

Our business meeting began with the Directors' review of Fiduciary Duty & NAR's Commitment to Antitrust compliance given by Katie Johnson; NAR General Counsel.

The Board then approved the Consent agenda as well as the proposed Amendments to the Bylaws of the Institutes, Societies and Councils that had been submitted for approval.

Nancy Lane, NAR Treasurer, gave the Treasurer's report. NAR is in great shape financially. They are working on continuing to fill some of the vacant lease space in their buildings and renovations and upgrading are continuing where needed. With membership at 1.7 million members, we look to be in good shape for the future.

The Board was given a presentation of the NAR Strategic plan and the NAR DEI (Diversity, Equity & Inclusion) Strategic plan.

The NAR Strategic plan identified 6 long term goals: Leadership and Influence, Industry Outreach, Member success, Realtor Brand, Member Experience, and Organizational Development and Performance. Each goal has a set of objectives the NAR hopes to reach within the 2023 to 2025 time period.

The Diversity, Equity & Inclusion Strategic Plan identifies 6 Pillars.

1. Executive Commitment in which Diversity, Equity & inclusion are prioritized and built in to our association.
2. Membership: We have a diverse membership that is represented in our leadership, governance and committee structures.
3. Culture: Our culture is inclusive where everyone feels welcomed, connected and realizes the NAR value proposition.
4. Advocacy: Promote public policy and provide programs to advance broader home ownership availability and affordability.

5. Partners: Identify and develop a diversity of partnerships to better serve out members, the real estate industry and communities.
6. Communication and Marketing Management: Deliver the DEI message to the hearts and minds of all our member, the real estate industry and communities.

For more information on either of these Strategic Plans, see [NAR.REALTOR](https://www.nar.realtor)

The next order of business were the action items moved forward from the Reports of the Committees to the Executive team and brought to the Board for final approval. All action items were approved or sent back to committees as per Executive committee recommendations.

The next meeting of the NAR Board of Directors will take plac at the Legislative meetings in Washington, D.C. May 11, 2023.

Thank you to the members of the ND Association of REALTORS, the NDAR Board of Directors and the NAR for allowing me to hold the position of National Director for the past 8 years! This is my last meeting in this capacity and I cannot express how much I learned and experienced in this position.

Thank you for this opportunity!

Respectfully submitted,

Vicki Roller