



December 22, 2014

Dear \_\_\_\_\_:

Recently, several Designated REALTORS® (DR) received notification that we have identified, through Dept. of Consumer Protection records, licensees affiliated with those DR's who are not REALTOR® members. DR's with non-member licensees were therefore invoiced for a 2014 non-member assessment for each non-member licensee in accordance with the Designated REALTORS® dues formula. The amount reflected on these statements was computed in accordance with Article X, Section 2 of the Association's Bylaws. The dues formula does not contemplate the licensee's function, production, part time status, health status, commercial only, etc., merely that the licensee is affiliated.

We are communicating this as a reminder that your dues obligation as the "designated" REALTOR® of your firm relates directly to the size of your real estate firm i.e., the number of individuals licensed directly or indirectly with your firm. However, your dues obligation is fully credited with respect to any individual licensed with you who holds membership in an Association of REALTORS®. Consequently, the variable portion of your dues as the "designated" REALTOR® is computed only upon the number of individuals licensed with you who do NOT hold membership. So having a non-member licensee affiliated with you increases your membership dues!

We are providing this reminder to all Designated REALTORS®, since these long established membership requirements are often times forgotten with the passage of time. Please note that all Associations of REALTORS® have the same membership dues formula in their bylaws, since it is a requirement of the National Association of REALTORS® (NAR) of which we are all a part.

In conjunction with the dues formula, NAR and therefore our Bylaws require annual Certification of Licensees, as well as, on-going notification to the Association of licensee affiliation under Bylaws Article VI, Section 16. In September each year we provide a list of your licensees that we have on record and ask you to add or delete licensees as appropriate. In addition, throughout the year DR's must notify GHAR within 30 days of any newly affiliated licensees and any severed licensees. This could be most efficiently handled by notifying GHAR at the same time that you notify the Dept. of Consumer Protection. To do this, please use our Licensee Affiliation/Change form or copy us on your email to the Dept. of Consumer Protection.

Licenseses affiliated with a separate entity (company) owned by the “designated” REALTOR®, which is exclusively engaged in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis are excluded from the “size formula” dues obligation of the “designated” REALTOR®, in accordance with Article X, Section 2. The Limited Function Referral Organization (LFRO) Certification Form may be used to identify such licensees.

### **How can you avoid non-member assessments?**

- Report all new and severed licensees to GHAR on an on-going basis.
- Maintain an office policy that all licensees must hold REALTOR® membership. The majority of member firms do this.
- Establish a referral company for licensees who you want to engage only in referral activity.
- Do not allow sharing of lockbox keys and MLS logins, as this practice encourages some licensees to avoid membership. Both are violations of rules and carry heavy consequences.
- Please consider NOT holding a license for a licensee who is not interested in engaging in real estate, but just wants to keep the license active by affiliating their license with a Broker.

We hope that this information furthers your understanding of your Designated REALTOR® membership. We value your continued membership in the association and hope that you will contact us with any questions concerning your membership requirements contained in our Bylaws. Please call the Association office at 860-561-1800.

Cordially yours,



Jeff Arakelian, RCE  
Chief Executive Officer