

DR DUES FORMULA

Below is the background and explanation of the Designated REALTOR® DR Dues Formula, which requires all active real estate licensees under a REALTOR® DR to be either a REALTOR® or the DR is required to pay a nonmember assessment.

INTRODUCTION

At the 1972 Annual Convention, the National Association of REALTORS® Delegate Body approved what is now commonly referred to as the “NAR Variable Dues Formula” for Designated REALTORS®. The formula was crafted to ensure fairness, by basing member dues on the number of individuals licensed with REALTOR® principals (known as “Designated REALTORS®” or “DRs”). The premise is that every licensee in the firm benefits from the DR’s membership in the Association of REALTORS®, and, therefore, the DR’s dues should reflect all licensees in the firm – even those who are not REALTORS®.

WHO IS INCLUDED IN THE DUES FORMULA?

All individuals licensed directly or indirectly with a DR are included in the computation. An offsetting credit is given to the DR based on the number of non-principal licensees who hold REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate membership in their own right.

WHO IS LICENSED WITH A DR FOR DUES PURPOSES?

A licensee is deemed “licensed with” a DR, if the license of the individual is held by the DR or by any broker who is licensed with the DR or by any entity in which the DR has a direct or indirect ownership interest. An example of an indirect ownership interest in an entity would be where the DR is working under a corporate license, but the licensees’ licenses are actually held by the corporate entity.

ARE LICENSED ASSISTANTS WHO WORK FOR THE DR EXEMPT FROM THE FORMULA?

No. The only exceptions to the NAR Variable Dues Formula are for agents who are Licensed For Referral Only Companies and qualified Mortgage Loan Originators. Therefore, a non-REALTOR® licensee who acts as an assistant in the DR’s firm is counted for purposes of the formula.

ARE LICENSED ASSISTANTS WHO WORK FOR A BROKER-ASSOCIATE IN THE DR’S FIRM EXEMPT FROM THE FORMULA?

No. The only exceptions to the NAR Variable Dues Formula are for agents who are Licensed For Referral Only Companies and qualified Mortgage Loan Originators. Therefore, a non-REALTOR® licensee who is an assistant to a broker-associate in the DR’s firm is counted for purposes of the dues formula.

WHAT HAPPENS IF A DR REFUSES TO PAY DUES ACCORDING TO THE NAR VARIABLE DUES FORMULA?

Full payment of dues owed is required for membership in a local AOR. Even partial payment does not satisfy the dues obligation. If a DR refuses to pay his or her full dues using the NAR Variable Dues Formula, the DR along with his or her entire office will be suspended from the local AOR membership, which, also, cuts off M.A.R. and NAR membership. Q 18.

IF A DR IS NOT HAPPY WITH THE DUES INVOICE FROM MY LOCAL AOR, CAN HE/SHE JOIN ANOTHER AOR AND AVOID THE DUES FORMULA?

No. The DR always has ‘board of choice’ and may join another local association of REALTORS, but all association of REALTORS have a duty to enforce the dues formula equally.