

Chapters FAQ's

1. What are Chapters?
 - A Chapter is a member sub-set within an association designed to interact with:
 - Members on a local basis
 - Municipalities on a local basis
 - Promote “all real estate is local”
 - Allow for improved economies of scale where possible
 - They are not independent legal entities
2. Are Chapters new?
 - No, Chapters within the NAR have been around since the 1950's.
 - They are currently being discussed nationally as associations look for a more member-centric governance model.
3. What would this change mean to me?
 - There would be little change from how you do business now
 - There would be no costs associated with the change
 - It would not increase dues
 - There would be no name change.
 - The association office would remain where it is
4. What does NAR say?
 - All NAR interaction is at the Association level.
 - NAR does not recognize the Chapter substructure of an association
 - The use of Chapters by Associations within the NAR has existed since the 1950's
 - NAR has reviewed the proposed documents and says they are okay as is.
5. What does MR say?
 - As long as we comply with NAR requirements and state law MR is not involved
 - These documents have been reviewed by legal counsel and conform to state law
6. Where can you have Chapters?
 - Anywhere you have members (Chapter structure and jurisdiction is dictated by the Association's Board of Directors and Bylaws).

7. Are there different Chapter types?

- Yes.
 - “Advisory”
 - Allow members to interact locally and consider local issues and concerns
 - Have **no voice** within the Association as to how things are done.
 - Established by **policy adoption by the Association’s Board of Directors**
 - “Participatory”
 - Allow members to interact locally and consider local issues and concerns
 - Have **voting representation** on the Association’s Board of Directors.
 - Established by **bylaw adoption by membership**

8. How do you allow for Chapters?

- Advisory Chapters exist at the pleasure of the Association’s Board of Directors through policies and procedures the Board of Directors can establish, amend, or eliminate by simple majority of the Board of Directors.
- Participatory Chapters are defined by the Association’s Board of Directors, have guaranteed seats on the Association’s Board of Directors and are subject to the Bylaws of the association which cannot be amended by the Board of Directors.

9. Who can belong to a Chapter?

- Only members of the Association can be members of a Chapter

10. Must an Association member belong to a Chapter?

- No, chapter membership is voluntary

11. When can you form a Chapter?

- This is dictated by the Association’s Bylaws if “Participatory” or Policies & Procedures if “Advisory.”

12. Why is this being discussed?

- Your Board of Directors believes that the future of local association’s is going to require the ability to take advantage of economies of scale, retention of local engagement, a member-centric value proposition, and delivery of the best member experience. Chapters allow for all the above.

13. Is one form better than another?

- Your Board of Directors believes the “Participatory” model is best. It allows for:
 - Local engagement
 - A guaranteed voice within the Association
 - Increases leadership opportunities
 - Supports transparency

14. What does it cost?

- There are no costs associated with the establishment of Chapters using either the “Participatory” or “Advisory” model.
- There is no cost to the member to belong to a chapter

15. Will we lose our identity?

- No. Chapters preserve identity

16. Are they legal entities?

- No. Chapters are not legal entities and as such cannot obligate the association

17. How is business conducted in a Chapter?

- A leadership group comprised of individuals from within the Chapter would meet regularly to discuss local business within the Chapter. This group to avoid confusion is called a “Board of Regents.”
- Committees best suited to conduct the Association’s business would also meet within the Chapter reporting to both the Board of Regents and the Association’s Board of Directors depending on the structure outlined in governing documents

18. Why now?

- The concept is not new, only new to most of our members. Other associations have been discussing Chapters for several years.
- Your Board of Directors is being Proactive by acting in a win-win environment as opposed to when it could be a necessity.
- The best time to borrow money is when you do not need it.