



## ARELLO's Organizational History

July 31, 2010

*Revised January 2014*

The history of the name changes of the Association of Real Estate License Law Officials reflect its growth over its lifespan:

1930—organized as the National Association of License Law Officials (NALLO),

1965—distinguished itself from other regulators by renaming itself the National Association of Real Estate License Law Officials (NARELLO)

1993—recognized its international membership in 1993 by becoming the Association of Real Estate License Law Officials (ARELLO ).

The Association's growth parallels the growth of the regulation of real estate brokerage activity in the United States and Canada. Through the first two decades of the Twentieth Century the National Association of Real Estate Boards (NAREB), later National Association of REALTORS (NAR), began to press U.S. jurisdictional governments to adopt license laws. NAREB hoped those laws would result in both greater professionalism of its members and, through effective discipline of licensees, greater protection of the public from the actions of unscrupulous or incompetent practitioners. Robert W. Semenow's *Questions and Answers on Real Estate* notes that those efforts began to bear fruit with California's adoption of a license law in 1917. The California court's quickly declared that law unconstitutional. In 1919, California passed another license law that passed constitutional muster. That same year Michigan, Oregon, and Tennessee also passed license laws.

This history of ARELLO® reflects two general periods of activity: 1930–1979 and 1980–2009. During its first five decades the Association was poorly funded. It functioned largely because of the willingness of individual regulators to volunteer time to create educational programs and to conduct research on regulatory issues. Beginning in 1980, ARELLO® developed more reliable funding sources. That funding allowed it to have paid staff to operate programs and to conduct research for ARELLO® members, for licensees, and for consumers. Regulator members currently focus primarily on policy for the organization.

The organization's staff has included five executive officers:

- Dr. Robert W. Semenow of Pittsburgh, Pennsylvania, a founding member, served as Executive Vice President of ARELLO® from its inception in 1930 until 1977.
- Robert H. Petersen of Omaha, Nebraska, a real estate attorney and legal counsel for the Nebraska Real Estate Commission, served as Executive Vice President from 1978 to 1984.
- Stephen J. Francis, previously executive officer of the Utah Real Estate Commission, was ARELLO's first full-time Executive Vice President from 1984 to 1998.
- Craig Cheatham, formerly an official with the Alabama Association of Realtors, served from 1998 until 2006 as Executive Vice President (title change to Chief Executive Officer in 2004).
- Debbie Campagnola, previously executive director of the Colorado Real Estate Commission, served as Chief Executive Officer (CEO) from 2006 until her untimely death in 2010.

In early 2011, as a direct result of the necessity to hire a new Executive Director, the Association leadership began evaluating association operations. Specifically the Executive Committee was committed to further defining the policy-making responsibilities of the Board of Directors and more fully identify the administrative responsibilities of a full-time professional staff. One end result was the relocation of the ARELLO® Headquarters from Denver to Chicago. In addition to the change of address, the Association began to move away from a consultant-based, multi-city workforce to a more consolidated employee-based operation. Following numerous and significant staff changes and restructuring a search for a new CEO was conducted in the fall of 2012.

Susan Gilpin began serving as Chief Executive Officer (CEO) in 2013.

Reflecting the organization's dearth of funding, the first two executive officers were part-time. Certainly, its executive officers have been critical to the growth and success of the organization. However, they succeeded in large measure because of the generous support and ideas of the regulators who make up the member jurisdictions' regulatory bodies and their staffs. Those regulators number in the thousands. For many years the Association has published a *Directory* that lists all member jurisdictions and their regulators. The *Directory* also included the names of the Association's officers and committee or working group members who were primarily responsible for creating or overseeing the many programs and positions identified in this brief history. Readers can find the names and the activity interests of those who have served since 1974 listed in the copies of the *Directory* in ARELLO's office archives or on its web site.

## **1930–1979**

By 1930, over sixty per cent of all states of the United States had license laws. The time was ripe for those regulatory agencies to reach out to each other for help in achieving their responsibilities and to assist other jurisdictions in passing regulatory laws. Documentation for ARELLO's activities before 1970 is scarce. Executive Vice President Semenow left some brief written information on the founding.

In 1929, A. C. MacNulty, the Director of Licenses in the state of New York; A. S. Wechsler, his assistant director; John N. Harkins, the chief examiner/investigator for the New Jersey Real Estate Commission; and Robert W. Semenow, Director of the Pennsylvania Real Estate Brokers License Law, sparked the idea of forming a national real estate license law association.

The first organized meeting of the National Association of License Law Officials (NALLO) was held in Toronto, Canada, in conjunction with the annual convention of the National Association of Real Estate Boards (NAREB, now NAR, the National Association of REALTORS) in July 1930. A. C. MacNulty, the recognized "dean" of the then small corps of license law officials, presided in the absence of J. W. Jacoby of Ohio, who had been designated president. It is no exaggeration to say that MacNulty was the real father of NALLO (now ARELLO®) He was responsible for the informal meeting in 1929 in Boston that set the stage for creation of the association, and he truly carried the torch for the organization in the succeeding years. At that meeting, the chairman appointed a committee to formulate a plan for a permanent organization. The members appointed were F. E. Butler, Alabama; Arthur Crissey, Illinois; Harry Wells, New Jersey; M. J. Rudolph, Ohio; and Robert W. Semenow, Pennsylvania, as chairman. This committee prepared a constitution and bylaws, which were thereafter adopted, giving the first official name to the organization—NALLO. Robert W. Semenow was elected secretary-treasurer at that time.

This fledgling association met in succeeding years at the same site as the NAREB convention. In the organization's formative years, it was nurtured and helped considerably by NAREB, especially by NAREB administrator Lowell Baker.

Long serving members of ARELLO® recall that most activities of the association in those early decades were limited to informal sharing of ideas about such matters as best administrative practices, investigative problems and solutions, how best to adjust license laws to changing market conditions, and the need to achieve reciprocity of licensing along state borders. For example, in the late 1970s NARELLO began providing excellent educational opportunities for its members to learn the nature of such "radical" new business models as franchising and time-sharing. Similarly, it initiated with the United States Department of Housing and Urban Development (HUD) a program to urge U.S. jurisdiction regulatory officials to enter "Voluntary Compliance" agreements with HUD pledging to support and enforce fair housing laws. That program proved very successful.

In those early decades, most regulators focused almost exclusively on their jurisdiction's special concerns. However, from time to time they joined with other members and attempted to influence issues on a national level. For example, Mr. Semenow noted that:

Around 1950, the association sponsored drives to eliminate the advance fee racket, free lot racket, and sale of sub-marginal subdivisions. The former "Rackets Committee" gained significant attention in the United States for NALLO through its cooperation at the local, state, and national enforcement levels. Colonel Donald McClure (then vice president and later president of the association) of California represented the views of NALLO at hearings before the Permanent Subcommittee on Investigation of the United States Senate.

However, those opportunities were rare. The organization simply lacked the resources to make its independent views have impact on others. Funding came almost exclusively from the modest dues charged to member jurisdictions, occasional grants from member jurisdictions to help defray the costs of conferences, payments from NAR for specific research projects, and relatively small gifts from individual members. Meetings often had to be held in conjunction with NAR meetings in order to reduce members' travel costs and better assure significant attendance. Thus, funds to pay the costs of developing and espousing independent views were virtually non-existent.

By the 1950s all jurisdictions of the United States had regulatory statutes. Nearly all had chosen to join NALLO. The organization has always conferred voting membership only on a governmental jurisdiction, not on an individual. NALLO organized its governing body by dividing those member jurisdictions into four or five geographic districts and allowed each district a specified number of seats on the Board of Directors. Also in the 1950s, Canada began to participate in NALLO as its regulatory bodies in British Columbia and Ontario joined. Over the next two decades new Canadian jurisdictions joining were assigned to the organization's existing geographic districts. (In the early 2000s, ARELLO® reorganized its governing geographical districts so that the Canadian provinces became a geographic district by themselves. ARELLO® created a similar district for non-North American nations.)

Before leaving this earliest period of the Association's life, the impact of Robert W. Semenow on real estate brokerage in the United States is worthy of further special note. Semenow served as the Association's Executive Vice President for all but three years of its first five decades. Through his work as a regulator (Pennsylvania), as a teacher (Professor of Urban Land Studies at the University of Pittsburgh), as a practicing real estate lawyer, as an organizer of regulators, and as a writer (*Questions and Answers on Real Estate* and *Selected Cases in Real Estate*), he became the dominant figure in real estate regulation in the middle

of the Twentieth Century. His Q&A went through nine editions (each with multiple printings) from 1948 through 1978 and formed the basis for many U.S. jurisdictions' qualifying examinations during those years. His expertise and effort were vital to the early success of the Association. In 2002, to honor Dr. Semenow's legacy, ARELLO<sup>®</sup> created the *Robert W. Semenow Real Estate Policy Endowment Fund*. It raises funds to support future needs of the organization and its member jurisdictions.

## **1980–2014**

This period proved to be the Association's "coming of age" era. For a half century the Association was primarily an organization of white male practitioners devoted to "networking" and to offering its members limited, informal educational offerings related to regulatory activities. During the 1970s and 1980s, the Association's individual membership began to diversify significantly. Jurisdiction laws and political pressure in the United States began to require the appointment to their Real Estate Boards and Commissions members of diverse groups, including among others: racial minorities, women, consumers, educators, retirees, public members, lawyers, and bankers.

During the 1990s, the Association's jurisdictional membership expanded. The Canadian contingent grew to include almost all of its provinces. Regulators from Australia and Africa appeared at conferences. The "Iron Curtain" fell in Europe, and Eastern European nations sought ARELLO's guidance on how best to regulate its new real estate brokerage activity. Hong Kong represented Asian interest in ARELLO<sup>®</sup>. The Association welcomed these new members and appreciated their volunteer contributions. Election to the office of President reflected these new regulators. In 1985, the Association elected its first African-American as President. In 1993, the first female became President. In 1997, it elected a Canadian President, the first non-U.S. regulator.

By the late 1970s and early 1980s the organization's Board of Directors began to search for ways to make the voice of NARELLO distinctive in addressing real estate brokerage regulatory issues. National trade associations spoke capably for the industry. Especially notable among those were: the National Association of REALTORS<sup>®</sup> (NAR), the largest trade association of real estate licensees in the U.S.; the Canadian Real Estate Association (CREA), Canada's largest licensee trade association; and the National Association of Real Estate Brokers (NAREB), a U.S. trade association whose membership is primarily African-American licensees. A number of groups effectively represented consumer interests. ARELLO<sup>®</sup> members' views often coincided with some or all of those groups. However, many members felt that industry, consumer, or governmental positions often overwhelmed ARELLO's regulatory positions. ARELLO's members believed that regulators represent the public interest, which may or may not be the view of the industry or of consumers. Thus, the Board began searching for ways to speak on behalf of the public interest with an independent voice. From 1980 to the present, in order to achieve that independence the Board took actions designed (1) to secure the association's financial position, (2) to make sound strategic plans, (3) to reorganize the administration of the association's activities, (4) to issue position statements, and (5) to assist practitioners in related real estate activities to have appropriate venues in which to express their views and concerns.

## **SECURING THE ASSOCIATION'S FINANCIAL POSITION**

1. **Creating a capable staff.** The first step was to make the Executive Vice President (EVP) a full-time employee in 1984. Shortly thereafter, they added a paid part-time assistant whose workload quickly became full-time. Needed computer assistance came through outside contractors in the 1990s. By the early 2000s, these technical needs became great enough to justify full-time in-house

employees. As staff and operational programs grew, the position of the Executive Vice President (EVP) was changed to Chief Executive Officer (CEO).

2. **Creating Separate Business Offices.** The Association's initial headquarters were simply a part of the law offices of its first two EVPs (first, in Pittsburgh, Pennsylvania, and then, in Omaha, Nebraska). The Board felt an independent headquarters was essential to establishing the credibility of the Association. Some U.S. members wanted an office in Washington, D.C. After considering the cost factors and other issues, the Board ultimately voted to continue having the office location in the area in which the EVP resided, but with the condition that the Association must be the controlling and named tenant of the office. Thus, in 1984, the Association opened its first independent headquarters in a suite of offices in Centerville, Utah, a northern suburb of Salt Lake City, and the home of its first full-time EVP. In 1998, the office moved to Montgomery, Alabama. In 2006, it moved to Littleton, Colorado, a southern suburb of Denver and the location in Montgomery was converted into a technology center. In 2011, the membership selected Chicago, Illinois for a permanent location and subsequently closed the office in Montgomery.
3. **Creating a Legal Structure.** The Board undertook a further step toward credibility in 1985 when it incorporated the organization in Utah. It has continued to maintain proper authorization to conduct business in whatever location it has located its operations.
4. **Creating a credible, transparent budget process.** In the 1980s, the Board of Directors implemented member suggestions:
  - a. to utilize accounting techniques designed to help members better understand what resources were available and on what they were spent.
  - b. for systematic increases of the dues and conference fee structures annually by a fixed 5 per cent rate unless economic conditions dictated a lower rate.
5. **Creating a sizable, reliable income flow tied to providing quality services to members and the public.** While income flow from programs was important, the Association generally attempted only programs that would have tangible benefits to its member jurisdictions in terms of helping them to carry out their duty to protect the public interest in real estate brokerage transactions. Chief among those programs were:
  - a. *Investigator Certification Program*—Begun in 1980, this program sought to improve member jurisdictions' investigative work. This member education program was the first of numerous attempts to provide benefits to members and simultaneously to create reliable income streams for the Association. The program continues to be successful in reaching its goal of improving the quality of investigative efforts, but it has realized only a small profit.
  - b. *Education Certification Program*—In 1981, NARELLO attempted this program to approve continuing education courses for a fee. It halted the program due to non-participation a few years later. The program raised little income because member jurisdictions recognized limited value in the program and preferred to rely on the expertise they already had on staff to review these courses. In the early 2000s, ARELLO® again authorized providing this service if a jurisdiction requested it, but none did.

- c. *Conference Education Programs*—In the mid 1980s, the new full-time staff began negotiating exceptionally good accommodation rates for Association meetings. Conference Committee members made educational program offerings more attractive. An important element in improving those programs was the contribution of content, technical expertise, and financial assistance from businesses (e.g., examination providers and education vendors) and organizations (NAR, CREA, NAREB, the Real Estate Educators Association) that may have lobbied or supplied services to member jurisdictions.

Thus, the Association's Annual conferences in the fall of the year and Board of Directors' Meetings in the spring had significant attendance and registration income increases. While little data exists about sizes of meetings in the first five decades, most annual conferences in the late 1970s and the early 1980s had from 150 to 200 attendees. The full-time staff helped attendance consistently reach around 300 in the 1990s. That number grew to nearly 400 in the middle years of the first decade of the 21<sup>st</sup> Century, with a high of just over 400 at the 75<sup>th</sup> Anniversary Conference in Toronto. In 2008 and 2009, attendance fell to around 250 as the worldwide recession struck. Similarly, with the addition of educational programs, Board of Directors Meetings held in the spring had increased attendance from around 50 in the 1970s to an average of around 200 in the middle years of the first decade of the 21<sup>st</sup> Century.

Attendance at District Conferences varied widely from a dozen to occasionally over a hundred since some districts had fewer jurisdictions that actively participated in the Association. From time to time jurisdictional travel budget restrictions (most often in jurisdictional or national recessions) very adversely affected participation in ARELLO<sup>®</sup> activities.

- d. *ARELLO<sup>®</sup> Digest of Real Estate License Laws*—In 1985, the staff began preparing annually this publication for sale to members and to the public. The *Digest* compiled license law statistics, legislation, rules and regulations, educational requirements, a report on the current status of license recognition, and various position statements ARELLO<sup>®</sup> developed. Previously, the jurisdictions or individual members who developed these reports had paid for their publication and distributed them only to members. The new *Digest* created a small, consistent income. In 2005, the *Digest* also became available as an online document.
- e. *Audio Visual Programs*—In 1986, the Association created another small income source by selling various audio-visual programs and manuals related to such topics as trust accounts, agency issues, and investigator training.
- f. *Disciplinary Action Data Bank*—In 1991, a member jurisdiction made a grant of \$20,000 to ARELLO<sup>®</sup> to develop a database of all jurisdictions' disciplinary actions. That jurisdiction wanted to be able to check efficiently not only an applicant's or a licensee's criminal background, but also his or her license disciplinary history in every jurisdiction, not just those in which the applicant reported holding a license. The *Disciplinary Action Data Bank* achieved that goal and was the first major income-producing project undertaken by ARELLO's paid staff.
- g. *Examination Accreditation Program*—In 1993, this program began offering jurisdictions an independent certification of the quality of the content and administration of their qualifying examinations. This independent review of qualifying examinations helped to raise and assure the psychometric quality of qualifying examinations. The program proved very successful financially

at nominal cost to users. Many jurisdictions made the costs of the certification “off-budget” by incorporating the cost into their examination fee.

- h. *Expansion of Membership*—When Australian and African regulatory officials began attending the Association’s meetings in the early 1980s, the Association began to consider expansion of its membership. Yet, political realities made initial steps very difficult. For example, the Republic of South Africa sought membership in 1985. The United States government had an official policy of opposing that nation’s apartheid racial policy. Thus, the Board of Directors voted not to accept South Africa’s application for membership. However, it indicated that a change in the apartheid policy could lead to membership. When that change occurred, South Africa became a member and hosted the first ARELLO® meeting held outside the North American continent.

In 1994, the Association took formal steps to expand its membership internationally in the hopes of expanding ARELLO’s influence beyond North America. Over the next decade that program resulted in adding memberships from governments in Africa, Asia, Australia, Europe, and the Middle East. To complement that expansion effort, in October 2001, the organization voted to modify its membership requirements to allow entities that were attempting to implement a regulatory scheme to join the association as “associate” members. Thus, the “Associates” could benefit from ARELLO® resources when they need them most.

- i. *Web Sites*—In 1997, ARELLO’s first web site [www.arello.org](http://www.arello.org) went online for members, followed in 2000 with the [www.arello.net](http://www.arello.net) site for the distance education community and in 2001 with the [www.arello.com](http://www.arello.com) site for the public.
- j. *Distance Education Certification Program*—In 1998, ARELLO® began work to develop instructional design and delivery standards for real estate brokerage education courses offered in a distance education format, such as “correspondence courses,” “online courses,” and other technology based programs. Regulators sought such standards to distinguish programs of educational integrity from those lacking such integrity. In addition, many providers wanted to offer reliable technology based distance delivered education. They wanted sound standards under which to construct such distance delivered courses. However, after ARELLO® developed a set of standards, most member jurisdictions lacked staff with the technical expertise to evaluate the new wave of distance delivered courses that many licensees and applicants wanted to take at their convenience instead of in the traditional classroom. A member jurisdiction made a grant of \$17,400 to fund the writing of ARELLO’s distance education standards and the launch of ARELLO’s *Distance Education Certification Program*. This Program quickly became the internationally recognized standard for ensuring quality professional education in the real estate brokerage industry.
- k. *ARELLOgram*—During the 1980s and 1990s, members had produced periodic newsletters for regulators. In 1998, the staff took over production of this newsletter and began faxing it to members each Friday.
- l. *International Distance Education Certification Center (IDECC)*—In 2001, with the success of the Distance Education Certification Program, ARELLO® established IDECC to make its instructional design and delivery standards and its certification process available to other industries beyond real estate brokerage. IDECC now sets the standard for professional distance

education offered in the real estate appraisal profession. Other regulatory groups also regularly consider it a benchmark for quality standards in their education.

- m. *License Verification Project*—In 2001, in cooperation with the National Association of REALTORS, ARELLO® initiated an ambitious project to collect current basic licensee data from regulatory agencies across North America. The goal was to create a one-stop website where anyone could easily verify the license of the practitioner. The information is available to the public at [www.arello.com](http://www.arello.com). In 2006, ARELLO® took responsibility for the technical implementation of the *ARELLO.com/license verification project* and hired full time technical staff to manage and promote the program. A majority of the real estate regulatory agencies in North America participate in the program.
- n. *[Boundaries]*—In 2000, containing different content than the *ARELLOgram*, this newsletter covered regulatory trends and was made available to the public by subscription. In 2008, *ARELLOgram* was merged into *[Boundaries]*.
- o. In 2005 and 2006, ARELLO® made major financial commitments to technology, which created a base to facilitate many of ARELLO's programs.
- p. *On-line Resource Library*—In 2005, ARELLO® launched this resource of publications, white papers, research documents, and surveys for member use.
- q. *Commissioner College*—In 2006, building on the concept of its Investigator Certification Program, the Association held its first Commissioner College to provide education in ethical and procedural matters for appointees who serve on the member jurisdictions' boards and commissions. ARELLO® makes this program available in two parts every year.
- r. *ARELLO® Timeshare Registry (ATR)*—During the 2004-2007 years, ARELLO® teamed up with the world's largest timeshare developers to establish a centralized timeshare registry through which timeshare developers must submit registration filings to participating regulatory agencies. After becoming operational in 2007, the ATR proved an impressive means to assist both regulators and developers with more efficiently processing the often very large timeshare filings.
- s. *Certified Distance Education Instructor Program*—In 2007, ARELLO® launched this program to equip educators of distance delivered courses with the latest quality skills for teaching at a distance. This program has trained hundreds of instructors operating in the real estate industry.

## PLANNING

In order to better focus the Association's programs to support its members' needs, it periodically developed "long range plans" or "strategic plans." Planning in the 1980s was the responsibility of a Long Range Planning Committee, whose membership was initially the Past Presidents and the Senior Officers. This committee adopted a plan in the mid 1980s, and the Board amended that plan several times over the next ten years.

In the 1990s the organization engaged professional planners to help it put together Strategic Plans. This activity resulted in both more functional planning and broader membership consensus on goals. Plans adopted in 1997 and 2004 resulted in quicker achievement of goals and led to the implementation of the programs outlined above.



## REORGANIZATION

In 2000, the Board of Directors adopted a major reorganization of the Association's operating structure. The lack of financial resources in its first six decades led to both operations and policies being determined by "committees." Those "committees" were essential to achieving any goals because their members volunteered to create the programs and documents the organization found important. No full-time staffing existed. In many instances, rather than determining the organization's policies, the Board of Directors simply approved whatever a "committee" decided the organization should do. By the beginning of the 21<sup>st</sup> Century, with a full-time staff in place and greater financial resources available, the Board of Directors was better able to meet its policy-making responsibilities. The Association replaced "committees" with "working groups" who could make recommendations to the Board and "councils" which could oversee Board approved programs. The Finance Committee, Program Committee and Governance Review Committee all began to provide significant governance support to the Board of Directors.

## POSITION STATEMENTS

**Code of Ethics**—In 1986, NARELLO adopted a Code of Ethics for real estate license law officials. Most such officials come to their new duties after having extensive, successful careers in private business. Thus, they often find that some acceptable business practices are unacceptable in their role as license law officials. For example, the giving of gifts is often acceptable and the norm in private business. Yet, that practice often proves unacceptable or even illegal in the regulatory world. NARELLO adopted its Code of Ethics to help its members adjust to such required changes in behavior, to assist them in discharging their duties impartially, and to help them avoid even the appearance of a conflict of interest in the regulatory world.

**Model Laws**—Over its entire history ARELLO<sup>®</sup> has developed and/or endorsed various model laws related to regulating real estate licensees, the sale of subdivided lands, and the sale of timeshare developments. In some instances, those models were comprehensive. In others, the model addressed a particular problem. ARELLO<sup>®</sup> did not seek to dictate that its member jurisdictions adopt them. Because of the widely varying needs of its member jurisdictions, ARELLO<sup>®</sup> offered the models to show the types of matters that any law should address and to provide examples of the differing ways that the jurisdictions might satisfactorily address regulatory concerns. The most recent comprehensive licensing model was completed in 2006.

**Appraisal Regulation**—In the late 1980s, many savings and loan associations in the United States failed. Many experts argued that poor appraisals were a major element in the cause of those failures. Thus, an effort began at the federal level to regulate appraisers through licensure and certification. ARELLO<sup>®</sup> reasserted its fundamental position that all regulation of real estate practitioners should be at the jurisdictional level. ARELLO's president made numerous trips to Washington to reinforce that position. Ultimately, ARELLO's position did not prevail as Congress passed legislation to create the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. However, that legislation did require jurisdictions to create appraiser regulatory boards. It also empowered the Appraisal Subcommittee to force those jurisdictional boards to comply with the qualifying criteria created by the Appraisal Qualification Board and to enforce the appraisal standards created by the Appraisal Standards Board. Both of those Boards are subdivisions of The Appraisal Foundation, a private industry trade association.

**Agency Issues**—In the early 1990s, a movement began to end the historical position of the real estate brokerage industry that all agents in a cooperative transaction worked for the seller, a practice known as "sub-agency." Many consumers found this representation at best confusing or misleading. Many consumer groups were adamant that buyers should have their own representation. ARELLO<sup>®</sup> became very active in helping its member jurisdictions in the United States and Canada to develop legislation that called for full written

disclosure to all parties at the beginning of transactions identifying for whom each agent in the transaction was working. Most member jurisdictions have adopted legislation reflecting that view.

**Resale Advance Fees**—In 1995, ARELLO<sup>®</sup> joined with consumer groups such as the Consumer Federation of America and with its sister organization of State Attorneys General of the United States to oppose exorbitant advance fees being charged by some brokers to re-sell timeshare intervals and subdivided lands. ARELLO's President appeared before the National Press Club in Washington, D.C., while multiple member jurisdictions held synchronized press releases cautioning the public against such practices. Additionally, ARELLO<sup>®</sup> produced an informational video to educate consumers. Working with the American Resort Developers Association (ARDA), ARELLO<sup>®</sup> supported federal and state initiatives to combat further abuses in the resort property industry that preyed largely on elderly consumers.

**Internet Best Practices Guidelines**—In 1998, ARELLO<sup>®</sup> adopted guidelines for advertising on the Internet since that medium was becoming the dominant method of real estate brokerage advertising. ARELLO<sup>®</sup> significantly updated these guidelines in 2009.

**Banks as Brokers**—From 2001–2003, the Association's Board voted to notify the United States Federal Reserve Board and other federal authorities that the Association opposed the possibility of federal laws preempting jurisdiction laws in order to allow financial institutions into the real estate business without the licensing requirements that applied to licensed practitioners. ARELLO's President also provided written testimony to a Congressional Sub-Committee considering this issue.

**Other Issues**—Every year the Association provides its members education on current regulatory and business issues of interest. On many of these, it does not take a formal position. Some typical examples include: a third party demanding that a licensee pay a referral fee of which the licensee was not aware until “after-the-fact” of the referral (1998), the need for mold disclosure and remediation (2002), legislative or rule proposals to require that licensees provide certain minimum services to buyers and sellers (2004), the need for reduction in license fees due to surpluses (2004), home inspector licensing (2005), the need for meth lab disclosures and remediation (2005), Tenants in Common legislation (2005), the scope of and licensee involvement in mortgage fraud (2005), common-interest communities (2006), and predatory lending practices (2008).

## **ASSISTING OTHER GROUPS AND NATIONS**

In 1980, ARELLO<sup>®</sup> assisted real estate educators in forming the *Real Estate Educator's Association* (REEA). REEA provides resources and opportunities for professional development to individuals and organizations involved in real estate education to better serve their customer base. The members of the Real Estate Educators Association come from all facets of the industry: colleges and universities, proprietary schools, corporate trainers, independent speaker/trainers, legal scholars, best-selling authors, technology innovators, and thousands of classroom educators who work directly with students every day.

In 1991, ARELLO<sup>®</sup> assisted the newly created U.S. appraiser regulators in forming the *Association of Appraiser Regulatory Officials* (AARO). This group includes the members and staff of all the U.S. jurisdictions' appraiser boards created to comply with the federal mandate for regulation of real estate appraisers.

In 2003, the organization began hosting *Regulatory Roundtables* at its Annual Conferences. The “roundtables” brought regulators, consumers, and industry voices from areas such as home inspectors and timeshares to ARELLO<sup>®</sup> conferences to provide a forum for discussion of issues in those and other real estate related areas.

In doing so, they increased the value of conference attendance for those already planning to attend the main conference.

In the first decade of the 21<sup>st</sup> Century, ARELLO<sup>®</sup> became especially active in assisting other nations in developing sound licensing procedures for their real estate brokerage activity. With the fall of Communist governments in Europe at the end of the 20<sup>th</sup> Century, many of those nations sought help in establishing a regulatory framework for new capitalistic real estate brokerage activity. Similar changes occurred in Asia and the Middle East. ARELLO's senior officers, or their designees, made trips to many of those countries and otherwise corresponded with officials to assist them in their new endeavors.

ARELLO<sup>®</sup> has grown in stature and in recognition by adding to its international membership; by attaining financial stability; and by formulating and adopting uniform policies and standards in the fields of education, administration, and enforcement. The association has also attracted increased participation from year to year in its activities, reflecting a growing interest by its membership and others in the effective administration and enforcement of the license laws and in the importance of regulation in a healthy marketplace.

***Note:** At the direction of President Gary Isom, an ad hoc working group comprised of Chair Grace Berger, Robert Fawcett, Teresa Hoffman, and Charles Clark conceptualized, researched, and wrote this history in 2010. Numerous other past and present ARELLO<sup>®</sup> members and staff contributed significantly to the work.*