The REALTOR® Party Political Survival Initiative (RPPSI)
Frequently Asked Questions and Updates

What does the Supreme Court Ruling – Citizens United vs. Federal Election Commission -- mean for NAR?
The ruling eliminates the requirement that hard dollars (or personal voluntary contributions) be used to pay for campaigns designed to influence the outcome of an election. Soft dollars, which in our case are dues dollars, can now be used when communicating with the public to influence voter opinions. While the ruling addresses candidate campaigns, it also makes it much more expensive to communicate with our members and with voters on important real estate issues.

Why do we need to do this now?
There are a number of forces at work right now to cut away at private property rights, home ownership and affordable lending. We are approaching a "perfect storm." The mortgage interest deduction is being threatened; affordable insurance is tougher to get; getting a loan, even for well-qualified buyers, has become especially challenging; communities are increasingly being burdened with higher property taxes and transfer fees; and dedicated housing resources at the state and local levels are being diverted to offset budget shortfalls. It's time to meet these challenges. While the cost of the initiative is high, the cost of NOT doing it is higher.

Can't NAR just tighten its belt and fund RPPSI by cutting spending in other areas?
NAR has indeed taken a number of cost-cutting measures. In addition to eliminating 33 staff positions, reducing staff benefits and freezing salaries, every operating area of the organization has instituted austerity measures designed to trim up to 20 percent off their expenditures. This is resulting in an overall savings of $12 to $15 million per year for the next three years.

Doesn't a dues increase dedicated to this initiative make us just like unions that require members to support specific political candidates?
Only 27 percent of the RPPSI funds have anything to do with candidate funding activities. The other 73 percent is dedicated to services and funding needs for voter records database use, partnering on state/local issue advocacy efforts and grassroots outreach. If approved, the RPPSI funds will help our REALTOR® Family address the monumental public policy issues we face today – issues like the future of mortgage finance, facilitating short-sales and access to affordable insurance. Our livelihoods depend on the outcome of these issues and they transcend political party lines. While unions contribute the vast majority of their political advocacy funds to just one party, RPAC is bi-partisan, splitting contributions nearly 50/50 between Democrats and Republicans. Just like RPAC, RPPSI will support REALTOR®-friendly candidates and issues. As a REALTOR®, your input into those decisions is welcome at all levels of the REALTOR® family.

Won't this initiative hurt RPAC?
The reality is that the Supreme Court Ruling magnifies the fact that RPAC contributions alone can't deliver the results we need in this new environment. More money than ever is flowing into politics. Don't forget, federal election law still requires use of hard (personal) dollars for direct contributions to candidates and to political parties. NAR is consistently credited as being extremely effective in developing relationships with lawmakers and regulators at all levels of government. Working in tandem with RPAC, the RPPSI will help us leverage our single-biggest strength, our grassroots. Our initial research shows that some RPAC investment could drop as members rationalize that they have "given enough," but major donors indicated that they would maintain their RPAC

investment levels. Also, as REALTORS® become more aware of their ability to write RPAC checks from their corporate accounts, RPAC contributions could actually grow. State associations with "issues funds" -- where dues dollars already are collected for political advocacy – have in fact seen an increase in RPAC contributions, Part of the RPPSI includes additional resources for RPAC fundraising at the state and local level. RPAC remains a crucial part of the political equation.

What funds and services will be available for state and local associations to advance their issue and candidate advocacy efforts?

Two-thirds of the $194 million five-year initiative ($119 million) is tied to programs and services that state and local associations can access to augment their issues advocacy campaigns and/or independent expenditure campaigns. Only the state/local independent campaign funding is allocated for distribution on a per-member basis. However, in order to receive funds, the state and/or local association must first elect to engage in a pro-REALTOR® Party candidate's race. In addition to this much-talked-about assistance for independent expenditure campaigns, other services and funding are available for state and local associations, as well. Approximately $82 million will be available in direct funding of issues mobilization requests, coordinated issue campaigns, independent expenditure campaigns and direct RPAC fundraising grants. Another $37 million will be in the form of services such as the Campaign Services program with voter records database and consulting support, the RPAC PAC management software, administration of the broker involvement program, and the online advocacy member communications software.

Is it true that availability of RPPSI funds for independent expenditure campaigns is tied to RPAC Fair Share performance?

While the original RPPSI proposal included a requirement that state associations meet all or part of their RPAC Fair Share Goal to be eligible for independent expenditure campaign assistance, this mandate has been removed. A state association's independent expenditure allocation is available no matter where it stands in meeting its RPAC Fair Share Goal. Each state's allotment is based on the number of members it has. It is a grant program to be split three ways. Fifty percent of each state allocation is for exclusive use of the state. The other 50 percent is available for local use and/or state use. (Each state works out allocations with its locals.) NAR will have additional funds for state/local associations to tap for independent expenditure campaigns based on need. The REALTOR® Party Coordinating Committee will review funding requests on a monthly basis.

What percentage of the dues increase would be nondeductible?

None of the proposed dues increase would be deductible from federal taxes. In 1993 Congress disallowed as a business deduction the portion of dues used for lobbying and other political activities conducted by NAR and state and local associations. In 2011, the portion of your NAR dues that was nondeductible for this reason was $26. The calculation is done each year to capture budgeted amounts for nondeductible activities in that year, so a new calculation would be done for 2012 once all of NAR's budgeted programs are evaluated.

How will we help members understand and use these programs?

If approved, this initiative will require a significant education plan so every state and local association understands how to tap into the funds and programs available to them. A detailed roll-out plan will be developed when (and if) the proposal is approved and will be rolled out at the NAR Leadership Summit in August.

For more information: www.realtor.org/politicalsurvival