

### **What is a PAC?**

PACs have been around since 1944, when the Congress of Industrial Organizations (CIO) formed the first one to raise money for the re-election of President Franklin D. Roosevelt. A Political Action Committee (PAC) is a popular term for a political committee organized by like-minded people for the purpose of raising and spending money to elect and defeat candidates. The PAC's money must come from voluntary contributions from members rather than the member's dues treasury. PACs represent business, labor or ideological interests. PACs can give \$5,000 to a candidate committee per election (primary, general, run-off or special). They can also give up to \$15,000 annually to any national party committee, and \$5,000 annually to any other PAC. PACs may receive up to \$5,000 from any one individual.

### **Why should I contribute to RPAC?**

RPAC is the muscle behind NAR. RPAC represents over 400,000 politically active REALTORS that members of Congress want as their friends. Recent legislative and regulatory successes include:

- The continued preservation of the mortgage interest deduction.
- Tax relief benefiting the real estate industry.
- Improving federal mortgage programs, allowing more families to join the ranks of homeownership.
- Eliminating burdensome regulations inhibiting environmental quality and healthy real estate markets.

### **How will my contribution be used?**

100% of your contribution is used to elect pro-REALTOR candidates: 70% remains in the state to be used in state and local elections (SPAAR is entitled to 10%). 30% of your contribution will be forwarded to National RPAC to fund key U.S. House and Senate races. Until your state PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after the state PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates. RPAC is neither a Republican nor a Democratic organization. Your contribution to RPAC is a vote for a pro-REALTOR Congress, regardless of political party. We call it the "REALTOR Party."

### **How did RPAC do in the last election?**

RPAC remained the nation's largest PAC in direct contributions to candidates with disbursements of over \$4.3 million dollars to federal candidates and national political committees in the 2004 election cycle. RPAC also spent over \$1,400,000 on our Opportunity Race program that mobilized REALTORS® to be active in 31 congressional campaigns. This represented huge growth over the 2002 cycle when RPAC contributed \$3.6 million to candidates and spent \$600,000 on Opportunity Races. Most impressive, RPAC resumed its Independent Expenditures program in 2002 after more than a decade hiatus. We spent over

\$1 million dollars on IEs in 2002, and increased that to \$2.6 million on behalf of 5 champions of REALTORS® who were locked in toss-up elections, and amazingly all won! RPAC continued its bipartisan tradition, contributing 53% of its funds to Republicans and 47% to Democrats, which closely tracks the current makeup of Congress. RPAC was on the winning side of 97% of the 439 congressional and senate races we contributed to.

### **Who establishes and implements RPAC policy?**

Much of RPAC's success is due to the high degree of organization that characterizes the REALTORS® Political Action Committee at every level. Leading the National RPAC organization are the National RPAC Trustees. The Trustees establish and implement RPAC policy in accordance with the RPAC bylaws and NAR policy as established by the NAR Board of Directors. The Trustees are made up of REALTOR® volunteers from around the nation who are appointed by NAR leadership.

### **How does RPAC establish fundraising goals?**

The dollar goal of the National RPAC, set by the National Trustees, is \$15 per year per NAR member. At least \$4.50 of that goes to the National RPAC. This goal is called a "fair share." To ensure that all states contribute their fair share to the RPAC effort, a states' annual goal is determined by the number of members in that state based on the November 30 membership report. The National RPAC accounting year runs from January 1 to December 31.

### **Who may be solicited for RPAC contributions?**

According to federal election law, RPAC can solicit only individual members -- i.e., non-corporate members of NAR and their families. The term "members" means all individuals who currently satisfy the requirements for membership in any one of the local, state, and/or the National Association and regularly pay dues.

Executive, administrative and management personnel of the local, state and/or national associations are also considered under the NAR constitution to be members of the association and are solicitable even though they may not pay association dues.

### **Are contributions to RPAC tax deductible?**

No. Contributions used for political purposes are not tax deductible on your federal income taxes.

### **Does the National RPAC contribute to state or local candidates?**

Under the cooperative agreements in effect between the National RPAC and the state association's Political Action Committees, the responsibility for making contributions to federal candidates is assigned to the national RPAC, while state association's Political Action Committees decide which state and local candidates to support.

**Can I earmark money to a party or particular candidate?**

No. Under federal election law, the earmarking of contributions is illegal.

**What process do the National Trustees use when determining contributions to candidates?**

The National Trustees' policy is to act only on requests sent from state associations and signed off on by the state trustees. Once the national trustees receive these requests, they have four options: Amend, Approve, Deny or Defer.

**Upon what criteria does the National RPAC base its decision to support federal candidates?**

1) Recommendations from State RPAC Trustees, 2) NAR congressional voting records and analyses of incumbent members of Congress, and 3) campaign intelligence reports provided by the NAR political and legislative staff.

**Will the National RPAC Trustees contribute to both candidates in a race?**

No. The National RPAC Trustees' policy is to only contribute to one candidate in any given election. However, the use of In-State Reception funds and D.C. Reception Funds does not necessarily count as a dual contribution if a challenger is supported by the National RPAC. Again, these are relationship-building monies.

**How much money stays with the state association and how much goes to the National RPAC?** The National RPAC maintains voluntary cooperative agreements with the state association's Political Action Committees. States retain 70% of the money they collect for the support of state and local candidates (SPAAR is entitled to 10%) and send 30% to the national RPAC for use in supporting federal candidates. Until your state PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after the state PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.

**What is the difference between hard (personal) and soft (corporate) money?**

Hard money has many restrictions on how it is raised and spent and must be fully reported to the Federal Election Commission. Hard money is raised from individuals, who can contribute up to \$1,000 directly to a federal candidate per election and \$5,000 to a Political Action Committee, like RPAC, per year. RPAC can contribute \$5,000 to a federal candidate per election. RPAC can only accept money from individuals. Soft money is raised from corporations, unions and individuals. Federal candidates cannot accept soft money. Soft money is raised by party organizations, unions, corporations and associations. There are no limitations on the amount of soft money a corporation or individual can contribute, nor any limitation on the amount of soft money an organization can spend. Unlike

RPAC, NAR can accept corporate contributions, which can then be used to communicate with our membership about a candidate through opportunity races or used for issue advocacy.