The Two Beginnings of RLI

A LOOK BACK IN HISTORY
CELEBRATING 65 YEARS...AND 89 YEARS

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In 1944, the war with Germany and Japan was still raging. Thousands of American soldiers were fighting overseas, while back at home their families and loved ones were working hard to keep everything going, to keep up hope.

It was a time of massive change. The war effort needed workers, and vast numbers of those workers came from the nation’s farms and rural areas. Farmers were selling their land and moving to take jobs in the towns and cities.

Between 1940 and 1944, the farm population dropped from 30.5 million to 25.5 million people. At the same time, Congress was looking ahead to the end of the war and the return of the soldiers to the general workforce. As a result, farmland was added to the types of eligible property covered by the already popular GI Home Loan program.

The public’s demand for the specialized services of farm brokers was growing. At the time, though, real estate brokers specializing in farm property were severely underrepresented in the nation’s largest organization for real estate professionals, the National Association of Real Estate Boards (NAREB, later renamed the National Association of REALTORS®). NAREB focused primarily on residential and commercial brokers, while the handful of farm specialists belonging to NAREB were relegated to a subsection of the Association’s Broker’s Division.

Seeking to fill the gap, in late 1943 a small group of farm brokers approached NAREB’s Board of Directors at its meeting in Cleveland and politely suggested that they “might be interested in having a special division.” A few months later, in June 1944, the Board responded by authorizing the formation of an Agricultural Institute – today’s REALTORS® Land Institute.

Today we celebrate 2009 as a milestone year as RLI marks the sixty-fifth anniversary of its formation.

However, RLI’s story doesn’t really begin in 1944, or even in 1943. It began in 1920.

In a case of history repeating itself, 24 years earlier, another group of farm brokers, feeling themselves underrepresented by NAREB amid the economic and social upheavals following World War I, gathered for the first time at the association’s annual meeting in Kansas City in June 1920.

Organizations for farm brokers were forming in several states, most recently in Ohio, and the group wanted to take its efforts to the national level.

The National Real Estate Journal then reported: “A Kansas City farm broker, Wilbur J. Mansfield, of Kansas City, after some correspondence on the subject with the officers of the National Association, took upon himself the responsibility and the expense of sending invitations to 7,000 land men throughout the country to attend at Kansas City a conference with a view to national organization. Several hundred responded.... There are said to be in the country 60,000 farm land brokers, so that the basis exists for a strong organization of selective membership.”

The real estate profession in 1920 was still essentially in its infancy. Specialties were beginning to emerge, but for the most part, a real estate broker’s job often included duties

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that today are seen as separate but related professions: appraisal, mortgage finance, property development, commercial brokerage, tax assessment, and so on.

NAREB did not create special divisions for these groups until 1923 and later. For the farm brokers to recognize themselves as a real estate specialty as early as 1920 was both unusual and forward-looking.

Speaking before the group, C. E. Southwick, head of the Minnesota Real Estate Association, stated that “the responsibility of the farm land dealer was even greater than that of the city dealer. The latter sold a man a home, but the farm dealer sold not only a home but also a business. The ethical question was therefore stronger with the land dealer than with any other class of real estate men.”

What emerged from the 1920 convention in Kansas City was the Land Men Realtors Committee. The nine members of the committee were charged with exploring the formation of a special group for farm brokers, effectively making “land men” the second specialty to gain recognition in the National Association of Real Estate Boards (real estate secretaries, today’s association executives at the state and local associations of REALTORS®, formed their own group within NAREB in 1912).

By 1923 the Division was in place, and its membership began to increase immediately. Over the next decade the group sponsored a variety of sessions, contests, and events at NAREB’s national meetings, fostered the formation of more state-level farm brokers groups, generated research reports, and worked with NAREB in lobbying Congress for legislation supporting farms and the farm population. In between national meetings, members of the Farm Lands Division communicated via the “Idea Service,” a regular mailing of innovative marketing brochures, government reports, and articles.

The coming of the Great Depression in October 1929 had a major impact on the real estate industry as a whole, and on the farm brokers in particular. As the economic situation caused farm values to plummert, farm brokers had a harder time making ends meet. Many chose to diversify and switched to other specialty divisions in NAREB, or dropped out of the profession altogether. The Division’s membership dwindled to just barely 200, from its peak of over 2,000 earlier in the decade.

The Farm Lands Division changed its name to the Farm Lands and Country Estates Division in 1931 in an effort to attract not just farm brokers but those who specialized in large luxury residential properties. The Division then reorganized itself as the Institute of Farm Land Brokers and...
Managers in 1933, trying to attract both farm brokers and farm managers, complete with its own Code of Ethics. Unfortunately, both efforts failed to bring in more members, and in 1935 the National Association's Executive Committee considered a proposal to close the group, citing a rule that specialty divisions must have over 100 members; the Farm Institute ended the year with only 99 members.

The proposal was tabled for a year, then two years, then three. Finally in 1940, according to official records, NAREB executive vice president Herbert U. Nelson “presented the recommendation of the Executive Committee that the name of the Farm Land Brokers and Managers be dropped and that the farm group be known simply as the Farm Land Section of the Brokers Division,” and what was left of the Farm Lands Division started 20 years earlier was no more. At NAREB’s 1941 convention in Detroit, only ten minutes of the three-day event was spent discussing farmland.

Of the handful of members who moved over to the Brokers Division section, George Domm, a farm specialist from Flint, Michigan, was less than satisfied with the decision to sunset the Farm Lands group. He organized a group of 20 farm specialists in Michigan for a five-day education session at the Michigan Agricultural College, which soon formed into the Michigan Agricultural Institute. By 1943 it had 80 members and attracted the attention of NAREB. Domm's groundwork served as the inspiration and foundation behind NAREB's newfound desire in 1944 to create an Agricultural Institute.

Herbert U. Nelson and NAREB president John Galbreath invited George Domm to meet with them in Chicago in January 1945 and invited him to continue his work nationally. Later that year Domm was elected as the first president of the Agricultural Institute, a position he held for the next three years, during which he organized the Institute's Board of Directors, created chapters in sixteen states, and nearly tripled the Institute's original membership of 178.

The next several decades saw many changes in the Agricultural Institute, always focusing on providing service to its members. In 1985, seeing a decline of members from the farm segment and an increase in members who specialized in land sales both urban and rural, the Institute changed its name to the REALTORS® Land Institute, embodying the opening words of the REALTOR® Code of Ethics: “Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization.”

The organization and its membership continue to evolve.

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**A CROP OF NAMES SINCE 1920**

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<thead>
<tr>
<th>Year</th>
<th>Division/Committee</th>
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<tbody>
<tr>
<td>1920</td>
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<tr>
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<td>1923</td>
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<td>1985</td>
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**ABOUT THE AUTHOR**

As manager of the Virtual Library & Archives at the National Association of REALTORS®, Frederik Heller is working to preserve many of the key documents from the real estate industry's past and make them available for future use. Before moving to Chicago in 2006, he was manager of NAR's library in Washington, DC. He holds a B.A. from Bates College in Maine and a Master's in Library Science from the Catholic University of America, and currently resides in suburban Chicago with his wife and two children.