

## IMPLEMENTATION GUIDE

### CODE OF ETHICS AND PROFESSIONAL STANDARDS POLICIES

#### APPROVED BY THE NAR BOARD OF DIRECTORS NOVEMBER 2020

At their November 13, 2020 meeting, the NAR Board of Directors made several enhancements to professional standards policies.

1. Changes to Policy Statement 29, Code of Ethics and Arbitration Manual: Policy Statement 29, *Code of Ethics and Arbitration Manual*, was amended to expand applicability of the Code of Ethics to all of a REALTOR®'s activities. These changes became effective November 13, 2020.
2. New Standard of Practice 10-5: A new Standard of Practice under Article 10 was adopted. This new Standard of Practice became effective November 13, 2020.

*Standard of Practice 10-5: REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.*

3. Expansion of the definition of "Public Trust": The definition of "public trust" was expanded to include all discrimination against the protected classes as specifically listed under Article 10 of the Code of Ethics and all fraud, and to limit the reporting requirement to final ethics decisions involving real estate-related activities and transactions.
4. Additional materials and Sanctioning Guidelines - guidance for hearing panels: Appendix VII to Part Four, Sanctioning Guidelines, *Code of Ethics and Arbitration Manual*, was amended to provide more specific guidance for hearing panels on determining discipline for violations of Article 10, Article 3 as interpreted by Standard of Practice 3-11, and violations of the public trust. In addition, a new Appendix was adopted that provides guidance on revised Policy Statement 29 and Standard of Practice 10-5. These revisions will be reflected in the [2021 Code of Ethics](#) and the [2021 Code of Ethics and Arbitration Manual](#).

#### Answers to common questions:

- Monitoring social media: These enhancements do not require Associations to proactively monitor their members' social media accounts. An ethics complaint must be filed and proceed through your normal professional standards enforcement process in order for a REALTOR® to potentially be found in violation of the Code of Ethics.
- Effective November 13, 2020 - NOT Retroactive: The changes to Policy Statement 29 and the new Standard of Practice 10-5 went into effect November 13, 2020. **These new ethical obligations would not apply to behavior that occurred before that date.** Information remaining on social sites prior to November 13, 2020 is not subject to Article 10 as interpreted by Standard of Practice 10-5.
- Same 180 Day Filing Rule: Also, any complaints must be filed within one hundred eighty (180) days after the facts constituting the matter complained of could have been known in the exercise of reasonable diligence, or within one hundred eighty (180) days after the conclusion of the transaction or event, whichever is later, per the *Code of Ethics and Arbitration Manual*.



- Citation Policies: Behavior that violates Article 10 as supported by the new Standard of Practice 10-5 **may not** be included in an Association's citation policy.
- Ombuds and Mediators: Any alleged violations of Article 10 **may not** be discussed with members or consumers through an Association's ombudsman or ethics mediation program.
- Requirement to Further Report: If a REALTOR® is found in violation of the Code of Ethics and there is reason to believe the public trust, as expanded, has been violated, Associations are required to share the final ethics decisions with the state real estate licensing authority **only** in instances involving real estate-related activities and transactions.
- Limitation on Protected Classes: Only the protected classes specifically listed in Article 10 may be considered. Additional protected classes in state or federal law **may not** be included or considered.
- Scope of Activity: The application of the scope of Article 10 to "all REALTOR® activities" is inclusive of those activities outside of a real estate brokerage firm and real estate transactions including but not limited to social events, social media, and non-real estate related personal interactions.
- Scope of the REALTOR® Membership Requirements versus Freedom of Speech in the Constitution: Membership in the REALTOR® organization carries specific duties and obligations that are intentionally more restrictive than those of the public or non-members. The agreement to abide by the REALTOR® Code of Ethics as a condition and duty of membership includes an agreement to adhere to a higher standard of ethical conduct and speech than may otherwise be granted.

#### Resources:

- Graphic on the Ethics Enforcement Process: [This graphic](#) is a great tool to share with members to explain how the Code of Ethics enforcement process works.
- Intended Application of the Revised Policies - For Hearing Panels: The new [Appendix XII to Part Four of the Code of Ethics and Arbitration Manual](#) provides an explanation of the intended application of revised Policy Statement 29 and the new Standard of Practice 10-5. The terms included in Standard of Practice 10-5 are defined in this Appendix.
- Online Training: NAR is offering training on these changes to the Code of Ethics and professional standards policies, and these are wonderful resources to use in bringing your professional standards enforcement volunteers up to speed. Information on how to register, and recordings of these trainings, can be found [here](#).
- Online Resources: More resources on these changes, as they are developed, will be provided on a special page for association executives [here](#).
- Call or Email Us: Please email [professionalstandards@nar.realtor](mailto:professionalstandards@nar.realtor) or call 312-329-8399 and we'd be happy to help!

