



CODE OF ETHICS

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

Preamble

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 Realtor is the instrumentality through which the land resource of the nation reaches its highest use and through which land ownership attains its widest distribution. He is a creator of homes, a builder of cities, a developer of industries and productive farms.

Such functions impose obligations beyond those of ordinary commerce; they impose grave social responsibility and a patriotic duty to which the Realtor should dedicate himself, and for which he should be diligent in preparing himself. The Realtor, therefore, is zealous to maintain and improve the standards of his calling and shares with his fellow-Realtors a common responsibility for its integrity and honor.

In the interpretation of his obligations, he can take no safer guide than that which has been handed down through twenty centuries, embodied in the Golden Rule:

"Whatsoever ye would that men should do to you, do ye even so to them."

Accepting this standard as his own, every Realtor pledges himself to observe its spirit in all his dealings and to conduct his business in accordance with the following Code of Ethics adopted by the National Association of Real Estate Boards:

Part I.

Professional Relations

ARTICLE 1.

In the best interest of society, of his associates, and of his own business, the Realtor should be loyal to the real estate board of his community and active in its work; and he should willingly share with his fellow-members the lessons of his experience.

ARTICLE 2.

The Realtor should so conduct his business as to avoid controversies with his fellow-Realtors; but in the event of a controversy between Realtors who are members of the same real estate board, such controversy should be submitted for arbitration in accordance with the regulations of their board and not to a suit at law, and the decision in such arbitrations should be accepted as final and binding.

ARTICLE 3.

Controversies between Realtors who are not members of the same real estate board should be submitted for arbitration to an arbitration board consisting of one arbitrator chosen by each Realtor from a real estate board to which he belongs and of one other member, or a sufficient number of members to make an odd number, selected by the arbitrators thus chosen.

ARTICLE 4.

When a Realtor is charged with unethical practice, he should voluntarily place all pertinent facts before the proper tribunal of the real estate board of which he is a member, for investigation and judgment.

ARTICLE 5.

A Realtor should never publicly criticize a competitor; he should never express an opinion of a competitor's transaction unless requested to do so by one of the principals, and his opinion then should be rendered in accordance with strict professional courtesy and integrity.

ARTICLE 6.

A Realtor should never seek information about a competitor's transaction to use for the purpose of closing the transaction himself or diverting the customer to another property.

ARTICLE 7.

When a Realtor accepts a listing from another broker, the agency of the broker who offers the listing should be respected until it has expired and the property has come to the attention of the accepting Realtor from a different source, or until the owner, without solicitation, offers to list with the accepting Realtor; furthermore, such a listing should not be passed on to a third broker without the consent of the listing broker.

ARTICLE 8.

Negotiations concerning property which is listed with one Realtor exclusively should be carried on with the listing broker, not with the owner.

ARTICLE 9.

The Realtor should charge for his services only such fees as are fair and reasonable, and in accordance with local practice in similar transactions.

ARTICLE 10.

A Realtor should not solicit the services of any employee in the organization of a fellow-Realtor without the knowledge of the employer.

ARTICLE 11.

No sign should ever be placed on any property by a Realtor without the consent of the owner.

Part II. Relations to Clients

ARTICLE 12.

In justice to those who place their interests in his hands, the Realtor should endeavor always to be informed regarding the law, proposed legislation, and other essential facts and public policies which affect those interests.

ARTICLE 13.

In accepting the agency for property, the Realtor pledges himself to be fair to purchaser or tenant, as well as to the owner whom he represents and whose interests he should protect and promote as he would his own.

ARTICLE 14.

A Realtor should not buy for himself property listed with him, nor should he acquire any interest therein, without first making his true position clearly known to the listing owner.

ARTICLE 15.

When asked for a formal appraisal of real property, the Realtor should never give an unconsidered answer; his counsel constitutes a professional service which he should render only after having ascertained and weighed the facts, and then in writing over his signature; for this service he should make a fair charge. The Realtor should not undertake to make an appraisal on any property in which he is in any way personally interested, unless such interest is specifically disclosed in the appraisal report; under no circumstances should he undertake to make a formal appraisal when his employment is contingent upon the amount of his appraisal. A Realtor should not advertise free appraisals. *A Realtor should not testify in court to the value of a property unless he has appraised the property.*

ARTICLE 16.

The Realtor should encourage the naming of the actual or an obviously nominal consideration in a deed.

ARTICLE 17.

When acting as agent in the management of property, a Realtor should not accept any commission, rebate, or profit on expenditures made for the owner, without his full knowledge and consent.

ARTICLE 18.

The exclusive listing of property should be urged and practiced by a Realtor as a means of eliminating misunderstanding and dissensions and assuring better service to the owner.

ARTICLE 19.

The acceptance by a Realtor of an exclusive listing imposes the obligation of rendering skilled and conscientious service; when a Realtor is unable to render such services either himself or with the aid of his fellow-Realtors, he should not accept the listing.

ARTICLE 20.

Before offering a property listed with him by the owner, it is the Realtor's duty to advise the owner honestly and intelligently regarding its fair market value.

ARTICLE 21.

In the event that more than one firm offer on a specific property is made before the owner has accepted a proposal, all offers should be presented to the owner for his decision.

Part III.

Relations to Customers and the Public

ARTICLE 22.

It is the duty of every Realtor to protect the public against fraud, misrepresentation, or unethical practices in connection with real estate transactions.

ARTICLE 23.

Property should be offered by a Realtor solely on its merit without exaggeration, concealment, or any form of deception or misleading representation.

ARTICLE 24.

It is the duty of a Realtor to ascertain all pertinent facts concerning every property for which he accepts the agency, so that in offering the property he may avoid error, exaggeration, and misrepresentation.

ARTICLE 25.

A Realtor should never offer a property without the authorization of the owner.

ARTICLE 26.

The price at which a Realtor offers a property should not be higher than that which the owner has openly agreed to take.

ARTICLE 27.

Before a Realtor buys for a client property in the ownership of which the Realtor has an interest he should disclose his interest to all parties to the transaction.

ARTICLE 28.

Before a Realtor sells property in the ownership of which he is interested, he should make it clear to the purchaser that he is acting solely for the owner.

ARTICLE 29.

A Realtor when acting as a broker should make it clear for which party he is acting, and he should not receive compensation from more than one party except with the full knowledge and consent of all parties to the transaction.

ARTICLE 30.

Under no circumstances should a Realtor permit any property in his charge to be used for illegal or immoral purposes.

ARTICLE 31.

In closing transactions, the Realtor should advise the use of legal counsel when the interest of any party to the transaction appears to require it; and in all cases he should exercise care in the preparation of documents so that they shall embody the exact agreements reached.

ARTICLE 32.

At the time the agreement is reached as to the terms of a transaction the Realtor should fully inform each party regarding commissions and other expenses to which each is respectively liable.

ARTICLE 33.

Before the closing of a transaction, the Realtor should recommend the examination of title and conveyancing papers.

ARTICLE 34.

All contracts and agreements to which a Realtor is a party should be made in writing and should be complete and exact.

ARTICLE 35.

A Realtor should not be instrumental in introducing into a neighborhood a character of property or use which will clearly be detrimental to property values in that neighborhood.

ARTICLE 36.

No instructions nor inducements from any client or customer relieve the Realtor from his responsibility strictly to observe this Code of Ethics.

The Code of Ethics was adopted in 1913. Amended at the Annual Convention in 1924, 1928, 1950, 1951 and 1952.