Article 3
The REALTOR® should endeavor to eliminate in his community any practices which could be damaging to the public or bring discredit to the real estate profession. The REALTOR® should assist the governmental agency charged with regulating the practices of brokers and salesmen in his state. (Amended 11/87)

Article 4
To prevent dissension and misunderstanding and to assure better service to the owner, the REALTOR® should urge the exclusive listing of property unless contrary to the best interest of the owner. (Amended 11/87)

Article 5
In the best interests of society, of his associates, and his own business, the REALTOR® should willingly share with other REALTORS® the lessons of his experience and study for the benefit of the public, and should be loyal to the Board of REALTORS® of his community and active in its work.

Articles 6 through 23 establish specific obligations. Failure to observe these requirements subjects the REALTOR® to disciplinary action.

Article 6
The REALTOR® shall seek no unfair advantage over other REALTORS® and shall conduct his business so as to avoid controversies with other REALTORS®. (Amended 11/87)

• Standard of Practice 6-1
The REALTOR® shall not misrepresent the availability of access to show or inspect a listed property. (Cross-reference Article 22.) (Amended 11/87)

• Standard of Practice 7-1
Unless precluded by law, government rule or regulation, or agreed otherwise in writing, the REALTOR® shall submit to the seller all offers until closing. Unless the REALTOR® and the seller agree otherwise, the REALTOR® shall not be obligated to continue to market the property after an offer has been accepted. Unless the subsequent offer is contingent upon the termination of an existing contract, the REALTOR® shall recommend that the seller obtain the advice of legal counsel prior to acceptance. (Cross-reference Article 17.) (Amended 5/87)

• Standard of Practice 7-2
The REALTOR®, acting as listing broker, shall submit all offers to the seller as quickly as possible.

• Standard of Practice 7-3
The REALTOR®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.
• Standard of Practice 7-4
(Refer to Standard of Practice 22-1, which also relates to Article 7, Code of Ethics.)

• Standard of Practice 7-5
(Refer to Standard of Practice 22-2, which also relates to Article 7, Code of Ethics.)

• Standard of Practice 7-6
The REALTOR®, when acting as a principal in a real estate transaction, cannot avoid his responsibilities under the Code of Ethics.

ARTICLE 8
The REALTOR® shall not accept compensation from more than one party, even if permitted by law, without the full knowledge of all parties to the transaction.

ARTICLE 9
The REALTOR® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. The REALTOR® shall not, however, be obligated to discover latent defects in the property or to advise on matters outside the scope of his real estate license. (Amended 11/86)

• Standard of Practice 9-1
The REALTOR® shall not be a party to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.

• Standard of Practice 9-2
(Refer to Standard of Practice 21-3, which also relates to Article 9, Code of Ethics.)

• Standard of Practice 9-3
(Refer to Standard of Practice 7-3, which also relates to Article 9, Code of Ethics.)

• Standard of Practice 9-4
The REALTOR® shall not offer a service described as “free of charge” when the rendering of a service is contingent on the obtaining of a benefit such as a listing or commission.

• Standard of Practice 9-5
The REALTOR® shall, with respect to the subagency of another REALTOR®, timely communicate any change of compensation for subagency services to the other REALTOR® prior to the time such REALTOR® produces a prospective buyer who has signed an offer to purchase the property for which the subagency has been offered through MLS or otherwise by the listing agency.

• Standard of Practice 9-6
REALTORS® shall disclose their REALTOR® status when seeking information from another REALTOR® concerning real property for which the other REALTOR® is an agent or subagent.

• Standard of Practice 9-7
The offering of premiums, prizes, merchandise discounts or other inducements to list or sell is not, in itself, unethical even if receipt of the benefit is contingent on listing or purchasing through the REALTOR® making the offer. However, the REALTOR® must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the REALTOR®'s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by Article 9, as interpreted by any applicable Standard of Practice. (Adopted 11/84)

• Standard of Practice 9-8
The REALTOR® shall be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in only those areas required by their real estate licensing authority. Article 9 does not impose upon the REALTOR® the obligation of expertise in other professional or technical disciplines. (Cross-reference Article 11.) (Amended 11/86)

ARTICLE 10
The REALTOR® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. The REALTOR® shall not be party to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin. (Amended 11/89)

ARTICLE 11
A REALTOR® is expected to provide a level of competent service in keeping with the standards of practice in those fields in which the REALTOR® customarily engages.

The REALTOR® shall not undertake to provide specialized professional services concerning a type of property or service that is outside his field of competence unless he engages the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any person engaged to provide such assistance shall be so identified to the client and his contribution to the assignment should be set forth.

The REALTOR® shall refer to the Standards of Practice of the National Association as to the degree of competence that a client has a right to expect the REALTOR® to possess, taking into consideration the complexity of the problem, the availability of expert assistance, and the opportunities for experience available to the REALTOR®.

• Standard of Practice 11-1
Whenever a REALTOR® submits an oral or written opinion of the value of real property for a fee, his opinion shall be supported by a memorandum in his file or an appraisal report, either of which shall include as a minimum the following:
1. Limiting conditions
2. Any existing or contemplated interest
3. Defined value
4. Date applicable
5. The estate appraised
6. A description of the property
7. The basis of the reasoning including applicable market data and/or capitalization computation

This report or memorandum shall be available to the Professional Standards Committee for a period of at least two years (beginning subsequent to final determination of the court if the appraisal is involved in litigation) to ensure compliance with Article 11 of the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

• Standard of Practice 11-2
The REALTOR® shall not undertake to make an appraisal when his employment or fee is contingent upon the amount of appraisal.
ARTICLE 12
The REALTOR® shall not undertake to provide professional services concerning a property or its value where he has a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

ARTICLE 13
The REALTOR® shall not acquire an interest in or buy for himself, any member of his immediate family, his firm or any member thereof, or any entity in which he has a substantial ownership interest, property listed with him, without making the true position known to the listing owner. In selling property owned by himself, or in which he has any interest, the REALTOR® shall reveal the facts of his ownership or interest to the purchaser.

ARTICLE 14
In the event of a controversy between REALTORS® associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall submit the dispute to arbitration in accordance with the regulations of their Board or Boards rather than litigate the matter.

ARTICLE 15
If charged with unethical practice or asked to present evidence or to cooperate in any other way, in any disciplinary proceeding or investigation, the REALTOR® shall place all pertinent facts before the proper tribunal of the Member Board or affiliated institute, society, or council in which membership is held and shall take no action to disrupt or obstruct such processes. (Amended 11/89)

ARTICLE 16
When acting as agent, the REALTOR® shall not accept any commission, rebate, or profit on expenditures made for his principal-owner, without the principal’s knowledge and consent.

ARTICLE 17
The REALTOR® shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

ARTICLE 18
The REALTOR® shall keep in a special account in an appropriate financial institution, separated from his own funds, monies coming into his possession in trust for other persons, such as escrows, trust funds, clients’ monies, and other like items.

ARTICLE 19
The REALTOR® shall be careful at all times to present a true picture in his advertising and representations to the public. The REALTOR® shall also ensure that his status as a broker or a REALTOR® is clearly identifiable in any such advertising. (Amended 11/86)
ARTICLE 19

Standard of Practice 19-1
The REALTOR® shall not solicit or advertise property
without authority, and in any offering, the price quoted shall
not be other than that agreed upon with the owners.

Standard of Practice 19-2
(Refer to Standard of Practice 9-4, which also relates to Arti-
cle 19, Code of Ethics.)

Standard of Practice 19-3
The REALTOR®, when advertising unlisted real property for
sale in which he has an ownership interest, shall disclose his
status as both an owner and as a REALTOR® or real estate
licensee. (Adopted 5/85)

Standard of Practice 19-4
The REALTOR® shall not advertise nor permit any person
employed by or affiliated with him to advertise listed pro-
property without disclosing the name of the firm. (Adopted
11/86)

Standard of Practice 19-5
Only the REALTOR®, as listing broker, may claim to have
"sold" the property, even when the sale resulted through the
cooperative efforts of another broker. However, after transac-
tions have closed, the listing broker may not prohibit success-
ful cooperating brokers from advertising their "cooperation,"
"participation," or "assistance" in the transaction, or from
making similar representations.

Only the listing broker is entitled to use the term "sold" on
signs, in advertisements, and in other public representations.
(Adopted 11/89)

ARTICLE 20

The REALTOR®, for the protection of all parties, shall see that
financial obligations and commitments regarding real estate
transactions are in writing, expressing the exact agreement of the
parties. A copy of each agreement shall be furnished to each party
upon his signing such agreement.

Standard of Practice 20-1
At the time of signing or initialing, the REALTOR® shall fur-
nish to the party a copy of any document signed or initialed.
(Adopted 5/86)

Standard of Practice 20-2
For the protection of all parties, the REALTOR® shall use
reasonable care to ensure that documents pertaining to the
purchase and sale of real estate are kept current through the
use of written extensions or amendments. (Adopted 5/86)

ARTICLE 21

The REALTOR® shall not engage in any practice or take any
action inconsistent with the agency of another REALTOR®.

Standard of Practice 21-1
Signs giving notice of property for sale, rent, lease, or exchange
shall not be placed on property without the consent of the
owner.

Standard of Practice 21-2
The REALTOR® obtaining information from a listing broker
about a specific property shall not convey this information to,
or invite the cooperation of a third party broker without the
consent of the listing broker.

Standard of Practice 21-3
The REALTOR® shall not solicit a listing which is currently
listed exclusively with another broker. However, if the listing
broker, when asked by the REALTOR®, refuses to disclose the
expiration date and nature of such listing; i.e., an exclusive
right to sell, an exclusive agency, open listing, or other form of
contractual agreement between the listing broker and his
client, the REALTOR®, unless precluded by law, may contact
the owner to secure such information and may discuss the
terms upon which he might take a future listing or, alterna-
tively, may take a listing to become effective upon expiration of
any existing exclusive listing. (Amended 11/86)

Standard of Practice 21-4
The REALTOR® shall not use information obtained by him
from the listing broker, through offers to cooperate received
through Multiple Listing Services or other sources authorized
by the listing broker, for the purpose of creating a referral
prospect to a third broker, or for creating a buyer prospect un-
less such use is authorized by the listing broker.

Standard of Practice 21-5
The fact that a property has been listed exclusively with a
REALTOR® shall not preclude or inhibit any other
REALTOR® from soliciting such listing after its expiration.

Standard of Practice 21-6
The fact that a property owner has retained a REALTOR® as
his exclusive agent in respect of one or more past transactions
creates no interest or agency which precludes or inhibits other
REALTORS® from seeking such owner's future business.

Standard of Practice 21-7
The REALTOR® shall be free to list property which is "open
listed" at any time, but shall not knowingly obligate the seller
to pay more than one commission except with the seller's
knowledgeable consent. (Cross-reference Article 7.) (Amend-
ed 5/88)

Standard of Practice 21-8
When a REALTOR® is contacted by an owner regarding the
sale of property that is exclusively listed with another broker,
and the REALTOR® has not directly or indirectly initiated the
discussion, unless precluded by law, the REALTOR® may dis-
cuss the terms upon which he might take a future listing or, al-
ternatively, may take a listing to become effective upon
expiration of any existing exclusive listing. (Amended 11/86)

Standard of Practice 21-9
In cooperative transactions a REALTOR® shall compensate
the cooperating REALTOR® (principal broker) and shall not
compensate nor offer to compensate, directly or indirectly, any
of the sales licensees employed by or affiliated with another
REALTOR® without the prior express knowledge and consent
of the cooperating broker.

Standard of Practice 21-10
Article 21 does not preclude REALTORS® from making
general announcements to property owners describing their
services and the terms of their availability even though some
recipients may have exclusively listed their property for sale or
lease with another REALTOR®. A general telephone canvass,
general mailing or distribution addressed to all property own-
ers in a given geographical area or in a given profession,
business, club, or organization, or other classification or group
is deemed "general" for purposes of this standard.
Article 21 is intended to recognize as unethical two basic types of solicitation:

First, telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another REALTOR®; and

Second, mail or other forms of written solicitations of property owners whose properties are exclusively listed with another REALTOR® when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, "for sale" signs, or other sources of information required by Article 22 and Multiple Listing Service rules to be made available to other REALTORS® under offers of subagency or cooperation. (Adopted 11/83)

- **Standard of Practice 21-11**
  The REALTOR®, prior to accepting a listing, has an affirmative obligation to make reasonable efforts to determine whether the property is subject to a current, valid exclusive listing agreement. (Adopted 11/83)

- **Standard of Practice 21-12**
  The REALTOR®, acting as the agent of the buyer, shall disclose that relationship to the seller's agent at first contact. (Cross-reference Article 7.) (Adopted 5/88)

- **Standard of Practice 21-13**
  On unlisted property, the REALTOR®, acting as the agent of a buyer, shall disclose that relationship to the seller at first contact. (Cross-reference Article 7.) (Adopted 5/88)

- **Standard of Practice 21-14**
  The REALTOR®, acting as agent of the seller or as subagent of the listing broker, shall disclose that relationship to buyers as soon as practicable. (Adopted 5/88)

- **Standard of Practice 21-15**
  Article 21 does not preclude a REALTOR® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage). However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target the property owners to whom such offers to provide services are made. (Adopted 2/89)

- **Standard of Practice 21-16**
  The REALTOR®, acting as subagent or buyer's agent, shall not use the terms of an offer to purchase to attempt to modify the listing broker's offer of compensation to subagents or buyer's agents nor make the submission of an executed offer to purchase contingent on the listing broker's agreement to modify the offer of compensation. (Adopted 2/89)

**ARTICLE 22**

In the sale of property which is exclusively listed with a REALTOR®, the REALTOR® shall utilize the services of other brokers upon mutually agreed upon terms when it is in the best interests of the client.

Negotiations concerning property which is listed exclusively shall be carried on with the listing broker, not with the owner, except with the consent of the listing broker.

- **Standard of Practice 22-1**
  It is the obligation of the selling broker as subagent of the listing broker to disclose immediately all pertinent facts to the listing broker prior to as well as after the contract is executed.

- **Standard of Practice 22-2**
  The REALTOR®, when submitting offers to the seller, shall present each in an objective and unbiased manner.

- **Standard of Practice 22-3**
  The REALTOR® shall disclose the existence of an accepted offer to any broker seeking cooperation. (Adopted 5/86)

- **Standard of Practice 22-4**
  The REALTOR®, acting as exclusive agent of the seller, establishes the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate made through MLS or otherwise, a cooperating broker may not assume that the offer of cooperation includes an offer of compensation. Entitlement to compensation in a cooperative transaction must be agreed upon between a listing and cooperating broker prior to the time an offer to purchase the property is produced. (Adopted 11/88)

**ARTICLE 23**

The REALTOR® shall not publicly disparage the business practice of a competitor nor volunteer an opinion of a competitor's transaction. If his opinion is sought and if the REALTOR® deems it appropriate to respond, such opinion shall be rendered with strict professional integrity and courtesy.


**EXPLANATORY NOTES** (Revised 11/88)

The reader should be aware of the following policies which have been approved by the Board of Directors of the National Association:

In filing a charge of an alleged violation of the Code of Ethics by a REALTOR®, the charge shall read as an alleged violation of one or more Articles of the Code. A Standard of Practice may only be cited in support of the charge.

The Standards of Practice are not an integral part of the Code but rather serve to clarify the ethical obligations imposed by the various Articles. The Standards of Practice supplement, and do not substitute for, the Case Interpretations in **Interpretations of the Code of Ethics**.

Modifications to existing Standards of Practice and additional new Standards of Practice are approved from time to time. The reader is cautioned to ensure that the most recent publications are utilized.

Articles 1 through 5 are aspirational and establish ideals that a REALTOR® should strive to attain. Recognizing their subjective nature, these Articles shall not be used as the bases for charges of alleged unethical conduct or as the bases for disciplinary action.

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