


NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

REALTOR® Code of Ethics

Conversion Using the Code



This presentation constitutes and contains information which is the confidential and proprietary trade secrets of the National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023. Duplication, Display, Dissemination of any of this information is prohibited by State and Federal Law.

1

THANK YOU




WE OPEN DOORS

2

REALTORS® RELIEF FOUNDATION

\$36 Million Awarded	38 States/Territories Assisted	100 Disaster Recoveries Funded	18,000+ Families Helped
----------------------	--------------------------------	--------------------------------	-------------------------

Visit nar.realtor/RRF to donate today!

3

Ask your questions live at:

www.facebook.com/NationalCodeofEthicsDay

Thank you to our Ethics Panel of Advisors



Hashtag your posts: **#NationalEthicsDay**





National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

4

About the numbers:

To track your virtual participation, *some* Associations may have asked you to record the 9-number sequence.

The 9 numbers are placed in yellow boxes at the bottom left of the screen throughout this presentation.



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023


5

Course Description

Understanding the Code of Ethics and its requirements makes us better REALTORS®. This course will walk REALTORS® through the articles of the Code with emphasis on the most misunderstood and/or are most violated. Bringing the very best presentation to our buyer and seller clients is our number one goal and following the Code can help you do that. This course provides REALTORS® with a reliable reference for guidance in dealing with complex situations in today's day to day practice of real estate. Students will learn how the Code of Ethics compares with the concept of general business ethics.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

6



NATIONAL REAL ESTATE
ETHICS DAY®
#NationalEthicsDay

The Code of Ethics

Our Promise of Professionalism

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

7

Code History

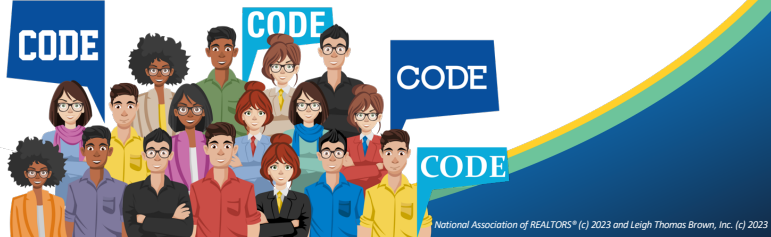
- Before 1900 – Real estate practitioners were not licensed resulting in speculation, exploitation, and disorder
 - *Caveat emptor* governed transactions
- 1908 – NAR was formed
- 1913 – The Code of Ethics was officially adopted
 - The standards focused on service to the public and a commitment to professionalism
 - "Duties to Clients" and "Duties to other brokers" was included

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

8

REALTORS® Share One Common Characteristic

- Regardless of real estate business specialty (such as appraisal, property management, etc.), **ALL REALTORS®** are bound by the Code of Ethics.




National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

9

THE GOLDEN RULE

Do unto others as you would have them do unto you.



NATIONAL ASSOCIATION OF REALTORS®
CODE OF ETHICS


#RidingWithTheBrand

10

Structure of the Code of Ethics

Three Sections:

- Duties to Clients and Customers
- Duties to the Public
- Duties to Other REALTORS®




<https://cdn.nar.realtor/sites/default/files/documents/2023-coe-standards-of-practice-2022-12-28.pdf>

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

11

UNDER ALL IS THE LAND



NATIONAL ASSOCIATION OF REALTORS®
CODE OF ETHICS

#RidingWithTheBrand

12



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 1

The Honest Messenger.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

13

Protect and promote your client's interests, but be honest with ALL parties.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

14

Standard of Practice 1-8

REALTORS®, acting as agents or brokers of buyers/tenants, shall submit to buyers/tenants all offers and counter-offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. Upon the written request of the listing broker who submits a counter-offer to the buyer's tenant's broker, the buyer's/tenant's broker shall provide, as soon as practical, a written affirmation to the listing broker stating that the counter-offer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counter-offer presented. REALTORS®, acting as agents or brokers of buyers/tenants, shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. *(Adopted 1/93, Amended 1/22)*

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

15

Case Study 1-1

- Seller A listed his house with REALTOR®B at \$137,900.
- REALTOR-Associate®C showed the house to buyers while representing REALTOR®B and told them he was pretty sure an offer of \$130,000 would be accepted.
- REALTOR®B said that Client A had already said he would make concession price to get a quick sale.
- REALTOR-Associate®C interpreted that concession to mean 10% less would be acceptable.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

16



17

Case Study 1-17

- Seller A decided to retire and sell his house. He contacted a number of brokers to discuss and was told to expect a sales price of \$150,000-\$158,000.
- Realtor®B said he could 'make a strong effort' at a listing price of \$168,000. He advertised the property, held it open, had several showings but received no offers.
- At the time of listing expiration, Realtor®B recommended lowering the price to \$158,900 as the market had slowed. An offer of \$150,000 was received and Realtor®B strongly suggested acceptance.
- Seller A accepted the offer and then filed a complaint that Realtor®B misled him as to market value.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

18



19

A complex graphic with a blue and white background. The main text reads: "STANDARD OF PRACTICE 1-3 REALTORS®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value." Below this is the "NATIONAL ASSOCIATION OF REALTORS®" logo and the text "CODE OF ETHICS". A diagonal banner at the bottom right says "#RidingWithTheBrand". The background features faint, overlapping text like "relation", "view", "Ethics", "choice", and "brand".

20

Case Study 1-18

- Client A listed and sold a commercial property with REALTOR®B.
- After closing, Client A learned that his tax position would have been more favorable in a trade instead of sale.
- Client A filed a complaint against REALTOR®B for not advising against the sale for obligation to be informed regarding laws.
- REALTOR®B stated that he had advised Client A to contact an attorney, which the client did not do.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

21



22

Case Study 1-5

- REALTOR®B listed Seller A's home. REALTOR®B advertised the house, showed it a few times to buyers who lost interest over the price, and discussed the listing in an office sales meeting where he advised that it may be overpriced.
- After 6 weeks and no contact from REALTOR®B, Seller A called the office anonymously and asked about his own listing for sale. The desk duty agent said 'we still have it listed but it is overpriced and we have others.'
- Seller A filed a complaint for failure to promote and protect the client best interest.


Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

23



24



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 2

Just the Facts, Ma'am.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

25

Avoid exaggeration, misrepresentation and concealment of pertinent facts. Do not reveal facts that are confidential under the scope of your agency relationship.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

26

Case Study 2-1

- REALTOR®A as property manager, offered a vacant house for rent to a prospective tenant, and presented it as good condition.
- Upon move-in, the tenant filed a complaint of misrepresentation for a clogged sewer line and a defective heater, claiming that REALTOR®A knew.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

27

NOT GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

28

Case Study 2-6

- REALTOR®A was working with hesitant Buyer C, who was hesitant to write an offer due to concerns about job changes.
- REALTOR®A reassured Buyer C that if she bought the house, his office would guarantee their equity back within the next year, so Buyer C bought the house.
- Buyer C had a job transfer 6 months later and came to REALTOR®A to list the house. REALTOR®A advised Buyer C that the market had changed and the price would have to be reduced to attract a buyer.
- Buyer C filed a complaint of misrepresentation, exaggeration and failure to make good a commitment.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

29

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

30



Article 3

Can't We All Get Along?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

31

Cooperate with other
real estate professionals
to advance your client's
best interests.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

32

Case Study 3-4

- Client H listed a small commercial property at a low price with REALTOR®J, with the stipulation that his list of prospective buyers be called first.
- Upon listing, REALTOR®F, who unsuccessfully interviewed for the listing, called REALTOR®J and asked to be acknowledged as cooperating broker. REALTOR®J told REALTOR®F that a buyer was considering and cooperation was not being invited.
- REALTOR®F complained to the Association, charging a failure to cooperate.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

33



34

Case Study 3-8

- REALTOR®A submitted an offer on REALTOR®B's listing at full price with mortgage contingency.
- REALTOR®B delivered rejection to REALTOR®A and explained that seller had accepted another offer by one of REALTOR®B's sales associates.
- REALTOR®A saw the seller at a dinner party, who said there was nothing personal in the decision, but he saved money in his 'special agreement' with REALTOR®B for a lower commission if the listing sold in-office.
- REALTOR®A filed a complaint that the special agreement was undisclosed.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

35



36

Case Study 3-13

- REALTOR®A listed Seller B’s house at \$1,000,000 and listed in MLS.
- REALTOR®C’s buyers submitted an offer for \$900,000. REALTOR®A presented to Seller B and offered to reduce commission by 1% since the price was lower than asking. Seller B agreed to accept the offer at the lower commission.
- REALTOR®A called REALTOR®C and asked if they could split the commission reduction between them. REALTOR®C agreed.
- After closing, REALTOR®C filed a complaint that the commission was being unilaterally modified in regard to a transaction after submitted offer.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

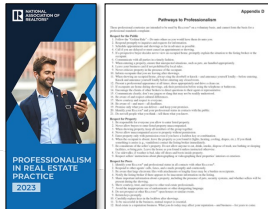
37



38

Pathways to Professionalism

- Respect for the Public
- Respect for Property
- Respect for Peers



Professionalism in Real Estate Practice – available for download at <https://store.realtor.org>

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

39

I'm proud to announce that I've earned the **Commitment to Excellence endorsement** from **The NATIONAL ASSOCIATION of REALTORS®**, reflecting my dedication to practicing business at the highest professional standards!

John Smiley
John Smiley
2019 President, NATIONAL ASSOCIATION OF REALTORS®


Bob Guiberty
Bob Guiberty
CEO, NATIONAL ASSOCIATION OF REALTORS®

Proud to be endorsed!

C2EX
COMMITMENT TO EXCELLENCE

NATIONAL ASSOCIATION of REALTORS

40



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 4

Secret Secrets Are No Fun.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

41

When buying or selling,
make your position
in the transaction or
interest known.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

42

Case Study 4-3

- REALTOR®A listed Client B's house.
- REALTOR®A advised Client B to accept an offer from Buyer C at less than listed price.
- Client B later filed a complaint against REALTOR®A for failure to disclose that Buyer C was REALTOR®A's father-in-law.
- REALTOR®A defended his actions by stating that a father-in-law is not a member of the immediate family, and that two other offers which had been presented were both lower than Buyer C's offer.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

43

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

44

Case Study 4-4

- REALTOR®B, a sales associate in REALTOR®A's office, listed a house and subsequently convinced the seller to accept \$60,000 below list price.
- After closing, the seller filed a complaint, charging REALTOR®B with a violation for selling the property to his mother without disclosure. REALTOR®A, as broker, was named as an additional respondent.
- REALTOR®B said he did nothing wrong and the seller would have accepted that price for any buyer. REALTOR®A stated that REALTOR®B is a 1099 who had completed firm training on COE and professionalism.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

45

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

46

NOT GUILTY



47



Article 5

Tell 'Em How You Feel.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

48

Disclose present or contemplated interest in any property to all parties.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

49

Case Study 5-1

- Buyer and Seller negotiating an apartment building and could not agree on price.
- Each engaged separate REALTORS® for valuation and agreed to move forward at the average.
- Post-closing, seller learned that buyer’s REALTOR® was engaged as property manager on the subject property and also managed other properties for same buyer.
- Seller accused buyer’s REALTOR® of establishing lower value than market to benefit buyer and the management relationship.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

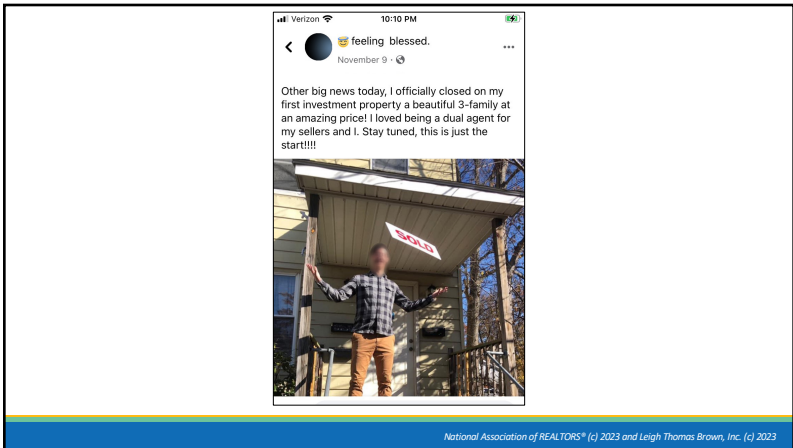
50

GUILTY




National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

51



52



Article 6

Side-dealing?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

53

Avoid side deals without your client's informed consent.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

54

Case Study 6-1

- REALTOR®A managed Owner B's office building.
- REALTOR®A as property manager bought janitorial supplies at wholesale and billed them to Owner B at retail on his statements.
- REALTOR®A defended the practice as being billed at the prices Owner B was paying prior to REALTOR®A as PM.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023


55

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

56



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 7

Who's Paying Whom?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

57

Accept compensation from only one party, except with full disclosure and informed consent.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

58

Case Study 7-1

- Buyer A engaged REALTOR®B to find a property meeting his specs.
- REALTOR®B listed Seller C's property, which met Buyer A's needs except for price.
- Seller C agreed to sell to Buyer A and REALTOR®B collected a buyer fee and seller fee.
- Seller C learned after closing that REALTOR®B was paid by the buyer and that he had convinced him to take a lower price.
- REALTOR®B said he had accepted Buyer A as client before Seller C and the price was fair.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023


59

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

60



Article 8

No Money Under The Mattress.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

61

Keep the funds of clients and customers in escrow.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

62

Case Study 8-2

- REALTOR® A as listing broker for Seller B sold a house to Buyer C, who made a substantial deposit subject to mortgage approval.
- REALTOR® A assisted Buyer C in lender recommendations, and Buyer C received mortgage commitment. However, shortly after, Buyer C changed his mind and agreed to forfeit deposit.
- REALTOR® A promised to send Seller B a portion of the forfeited deposit as specified in the listing agreement. Seller B did not receive the funds and filed a complaint.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023


63

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

64



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 9

If It Ain't In Writing...


National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

65

Assure, whenever possible,
that transactional details
are in writing.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

66



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 10

What You Do For One, You Do For All.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

67



History

- 1789: Private Property Rights
- 1866: The Civil Rights Act of 1866
- 1917: Racial Zoning Outlawed
- 1948: Restrictive Deed Covenants Not Enforceable
- 1968: Fair Housing Act
- 1975: Voluntary Affirmative Marketing Agreement

<https://www.nar.com/real-estate/fair-housing-act/fair-housing-makes-us-stronger-commemorating-50-years-of-the-fair-housing-act/fair-housing-and-property-rights-a-history>

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

68

Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, **disability**, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, **disability**, familial status, national origin, sexual orientation, or gender identity. (Amended 1/23)

REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, **disability**, familial status, national origin, sexual orientation, or gender identity. (Amended 1/23)

69

FRESH C-O-R-N
Equal Opportunity in Housing

- F** Familial Status
- R** Race
- E** Equal
- S** Sex
- H** Handicap Status
- C** Color
- O** Opportunity
- R** Religion
- N** Nationality

NATIONAL ASSOCIATION OF REALTORS®
 #RidingWithTheBrand
 CODE OF ETHICS

70

Case Study 10-3

- REALTOR®A was contacted by Prospect C, a female head of household, who wanted to buy a home in the \$240,000-\$270,000 range with 3 bedrooms and near schools and playgrounds. REALTOR®A proceeded to show Prospect C a number of homes but they were not of interest to her.
- After expressing no interest in the houses presented, Prospect C filed a complaint that REALTOR A had failed to provide equal professional service because she was a woman.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

71

NOT GUILTY

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

72

Case Study 10-2

- REALTOR®B began working with Prospect C, a married veteran with 2 kids who was moving into the city for a new teaching job at the high school
- REALTOR®B showed Prospect C houses in neighborhoods near the school.
- Prospect C met Prospect D at a faculty meeting, Prospect D also moving to the city for a new teaching positions, also a married veteran with 2 kids.
- Prospect C gave REALTOR®B's name to Prospect D as being knowledgeable about the market and VA financing.
- REALTOR®B showed houses to Prospect D in the same price range, but different neighborhoods. Prospect D asked about closer houses but REALTOR®B said he had no knowledge of additional homes for which Prospect D could qualify. Prospect D was black.
- Prospect D and Prospect C compared houses they had seen, and upon that knowledge Prospect D filed a complaint of discrimination.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

73



74

Case Study 10-4

- REALTOR®A listed a property in a new subdivision. Seller X requested no MLS listing, no 'For Sale' sign, and no online advertising. Seller X told REALTOR®A that he wanted the sale handled 'quietly', with new purchasers being people who would 'fit into the neighborhood.'
- REALTOR®A did a mailing to the neighborhood, inviting them to 'play a part in the decision of who your next neighbor will be.'
- REALTOR®B filed a complaint after seeing the marketing letter which had been sent to his mother, a new resident of the subdivision.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

75



76



77

Case Study 10-6

- In social media discussions, REALTOR®A made the following comments: “I think Black people bring out the worst in us”; “we always knew n----- were violent. They are not Christian”; and described Black protestors as “animals trying to reclaim their territory”.
- A consumer took screenshots of the comments, including REALTOR®A’s name, and filed a complaint.
- REALTOR®A confirmed she had, in fact, posted the statements, but denied that making the statements interfered in her ability to provide equal professional services to anyone because of their race.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

78



79

Case Study 10-7

- REALTOR®A was a registered member of Political Party Y, and routinely engaged in political discussions on social media and in private conversations. REALTOR®A’s conversations and social media posts often included insulting, intimidating, and hostile statements about members of Political Party Z, including aggressively insulting their intelligence, implying they were unpatriotic, and telling them that if they disagreed, they should leave the country.
- REALTOR®B witnessed numerous instances where REALTOR®A harassed others on the basis of their membership in Political Party Z and believed that REALTOR®A was using harassing speech. He filed an ethics complaint with the local Association of REALTORS®.

• Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

80



81

Case Study 10-9

- REALTOR® A was a preacher in his local church, and stated before a group of congregants, “Lesbians and Homosexuals are murderers according to the scriptures.”
- One of the congregants filed an ethics complaint that REALTOR® A’s statement
- REALTOR® A testified that his statement was based on his interpretation of the Biblical scripture, and that his teachings were designed to help his congregants understand the true teachings of God.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

82



83

Case Study 10-10

- REALTOR® A leads a weekly Bible study group in the evenings. During one such study group, REALTOR® A led the group in a discussion of Biblical passages concerning homosexuality, referencing several differing interpretations of said passages. At one point during the discussion, REALTOR® A stated, “Some have said these verses clearly prohibit and condemn same-sex relationships.” An attendee of the group found this to be inappropriate and filed an ethics complaint.
- REALTOR® A confirmed that the complainant had quoted him correctly but argued that he presents all sides of Biblical interpretation for historical context, and that he is careful to leave any personal opinions out of the study group, as evidenced by his use of “some have said.”

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

84



85

Case Study 10-11 (*NEW!*)

- When searching real estate listings on a brokerage website, a potential homebuyer noticed a listing with the Confederate flag prominently displayed in the property photos.
- At the hearing, the complainant testified that she felt threatened by the display of the Confederate flag and took it to mean that she would not be welcome in the home or the neighborhood if she were to make an offer on the property.
- The listing broker testified that he should not be held responsible for what is displayed in a client's home and could not offer an explanation for his client's motives in displaying the Confederate flag.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

86



87

Does Fair Housing Stop at Protected Classes?

Expanded definition of the public trust:

- The "public trust", as used in this context, refers to demonstrated misappropriation of client or customer funds or property, ~~willful~~ discrimination against the protected classes under the Code of Ethics, or fraud resulting in substantial economic harm.
- Expanded definition includes all discrimination against the protected classes under Article 10 and all fraud.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

88

SELLER INTAKE SHEET

Name: _____ Lead Source: _____ Status: A B C Done

Assigned to: _____ Date: _____

Address: _____ City: _____ State: _____ Zip: _____

How do you prefer to be contacted? Call / Text / Email Preferred number to call: _____

Home Phone: _____ Work: _____ Cell Phone: _____ Decision/Make at Call: _____

Lead (Will you be the owner at your meeting address?) Y / N

In the property address the same as your meeting address? Y / N

How long have you owned your home? _____ Why are you selling? _____

When do you need to be in the house? _____

Missing? Y / N Preferred contact info for: _____

Bedrooms: _____ # Baths: _____ Age: _____ Sq. Ft.: _____

Subdivision: _____ Carpet: _____

Special features: _____

Is there anything else you want to mention about this property? _____

What would be an acceptable selling price to you? _____

What do you want? _____

What kind of offer do you see when you purchase the property? _____

Have you refinanced since you purchased? Y / N If YES, request copy of _____

What are three things you are looking for in a Realtor? _____

How are you going to talk with any other offers? Y / N

Would you prefer to look at your home or via Zoom? Home / Zoom Done To: _____

ACTED - LETTER LEADS: _____ INFO: _____

Printed Name of: _____ Personal Email: _____

DATE: _____

APPROVED: _____

Signature: _____

BUYER INTAKE SHEET

Name: _____ Lead Source: _____ Status: A B C Done

Assigned to: _____ Date: _____

Address: _____ City: _____ State: _____ Zip: _____

How do you prefer to be contacted? Call / Text / Email Preferred number to call: _____

Home Phone: _____ Work: _____ Cell Phone: _____ Decision/Make at Call: _____

Lead (Will you be the owner at your meeting address?) Y / N

In the property address the same as your meeting address? Y / N

How long have you owned your home? _____ Why are you selling? _____

When do you need to be in the house? _____

Missing? Y / N Preferred contact info for: _____

Bedrooms: _____ # Baths: _____ Age: _____ Sq. Ft.: _____

Subdivision: _____ Carpet: _____

Special features: _____

Is there anything else you want to mention about this property? _____

What would be an acceptable selling price to you? _____

What do you want? _____

What kind of offer do you see when you purchase the property? _____

Have you refinanced since you purchased? Y / N If YES, request copy of _____

What are three things you are looking for in a Realtor? _____

How are you going to talk with any other offers? Y / N

Would you prefer to look at your home or via Zoom? Home / Zoom Done To: _____

ACTED - LETTER LEADS: _____ INFO: _____

Printed Name of: _____ Personal Email: _____

DATE: _____


APPROVED: _____

Signature: _____

Intake


Same questions. EVERY time.

89




Welcome to FAIRHAVEN

Use your fair housing knowledge to navigate challenging real estate scenarios in Fairhaven.*



TIME TO COMPLETE
60-100 minutes

Launch



*Fairhaven is a fictional town and does not represent or simulate a specific neighborhood, town, organization, or place. Any similarity to an actual place is purely coincidental.
Need help or have a question? Reach out to fairhaven@nar.realtor

90



HOUSING DISCRIMINATION? NOT IN OUR HOUSE.




PEOPLE WILL



www.nar.realtor/thats-who-we-r/fair-housing-assets

91



NATIONAL REAL ESTATE ETHICS DAY

#NationalEthicsDay

Article 11

Learn and Ask Before You Proclaim.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

92

Be knowledgeable and competent in the fields of practice in which you ordinarily engage. Obtain assistance or disclose lack of experience if necessary.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

93

Case Study 11-2

- REALTOR®A was asked by Client B to appraise a large residential home.
- REALTOR®A reached out to other REALTORS® in the area for information concerning values in the area.
- REALTOR® C filed a complaint that REALTOR® A had failed to acknowledge this assistance in his report.
- REALTOR® A protested that he frequently made general requests to others and did not consider it to constitute formal assistance.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

94



95

Case Study 11-4

- REALTOR®A was asked by Client B to appraise an office building.
- REALTOR®A disclosed that he had never appraised an office building.
- Client B stated that they had confidence in REALTOR®A and notwithstanding the lack of experience, wanted his appraisal.
- REALTOR®C complained that REALTOR®A had violated COE by taking the appraisal outside of expertise.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

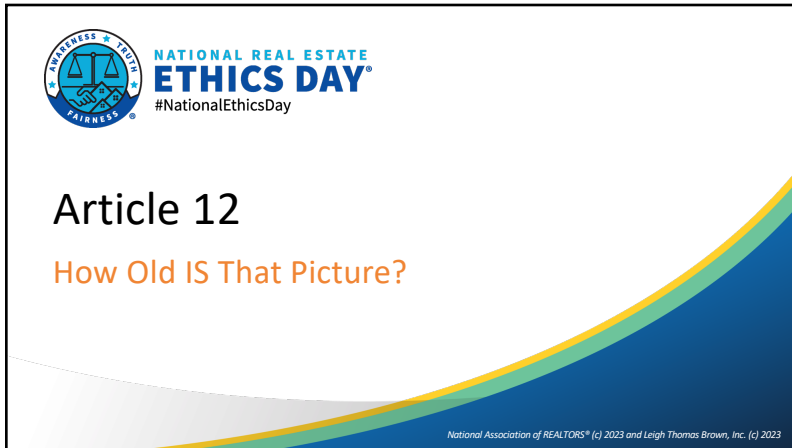
96



97



98



99



100

Standard of Practice 12-11

REALTORS® must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the REALTOR® will receive no financial compensation from any source for those services. **(Amended 1/22)**

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

101

Case Study 12-11

- REALTOR®A purchased a banner ad on his local newspaper’s website and included photos of homes he had sold as cooperating agent..
- Three complaints were filed that the claim of ‘sold’ was false and misleading since none of the properties had been listed by REALTOR®A.
- REALTOR®A responded that while the properties had been listed with other brokers, he had been the ‘selling’ broker and was entitled to advertise his role.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

102



103

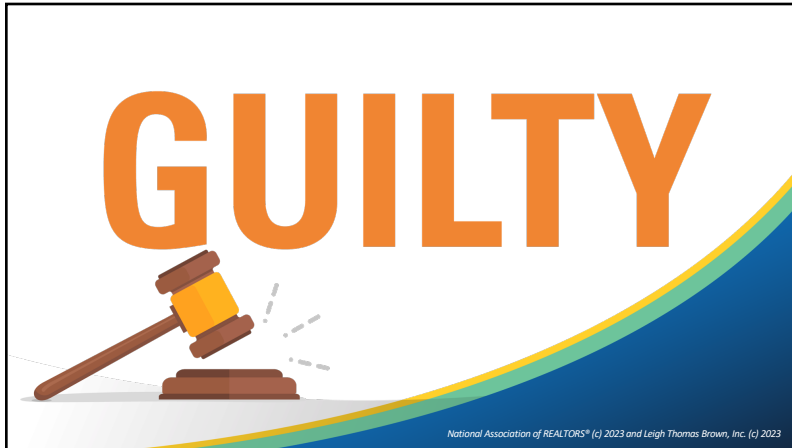
Case Study 12-19

- REALTOR®A was looking for investment properties while on vacation, and found a dilapidated ‘for sale’ sign on a lot. He looked online to find the lot and discovered it on REALTOR®Z’s website.
- REALTOR®Z said the listing had expired when REALTOR®A called for info.
- REALTOR®A sought out REALTOR®X hoping to find info, and found that REALTOR®X was now the exclusive listing agent.
- REALTOR®A filed a complaint of not presenting a true picture and of advertising without authority.

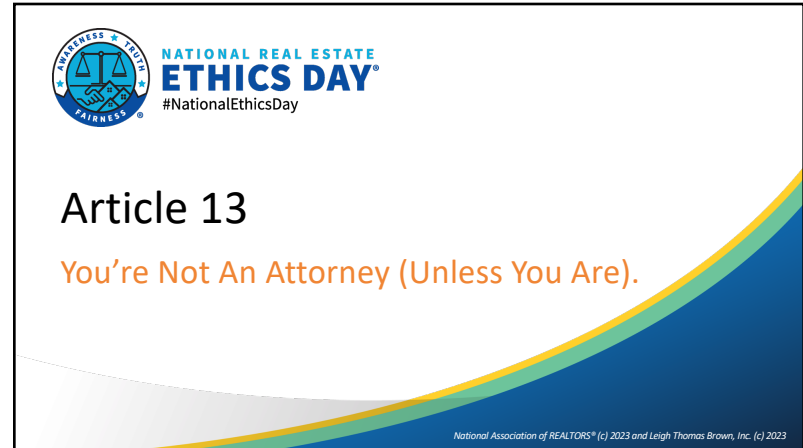
Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

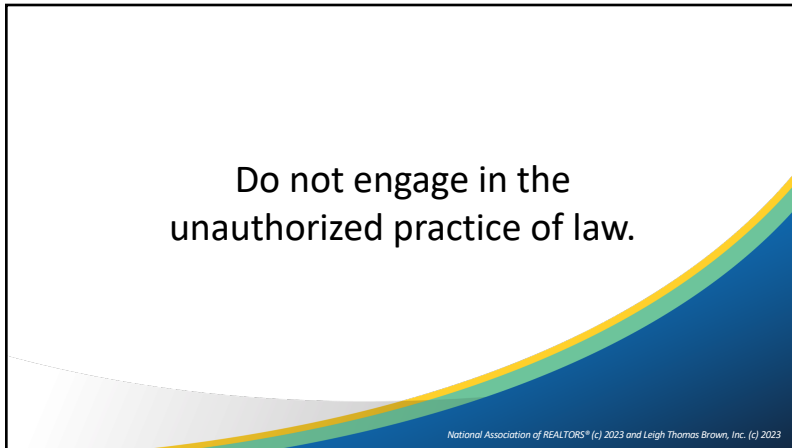
104



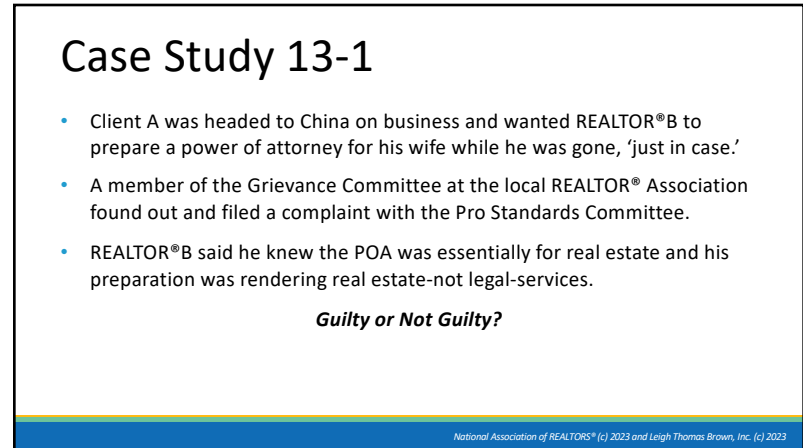
105



106



107



108



109

Case Study 13-3

- REALTOR®A, agent for Client B, received an offer on a 25 acre property from Customer C. Client B countered above asking price to Customer C.
- Customer C became upset and indicated intent to call an attorney to force Client B to sell at the listing price. REALTOR®A advised Customer C that litigation could be lengthy and expensive, and the sale could not be enforced. Customer C moved forward at the higher price.
- Customer C filed a complaint that REALTOR®A provided bad advice with his persuasive personality and therefore he did not consult an attorney.


Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

110



111



NATIONAL REAL ESTATE ETHICS DAY
#NationalEthicsDay

Article 14

Go To Time-Out.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

112

Be a willing participant
in Code enforcement
procedures.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

113

Code Enforcement

- Every association is responsible for enforcing the Code.
- This includes providing mediation and conducting ethics and arbitration hearings.
- Only REALTORS® and REALTOR-ASSOCIATES® are subject to the Code.
- An association where someone holds membership **or** gains MLS access has jurisdiction to process ethics complaints and arbitration requests filed against that individual.
- Associations **do not** determine violations of law and regulation.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

114

Case Study 14-2

- REALTOR®A was charged with a violation of the Code.
- Complainants formally presented charges and REALTOR®A was questioned.
- REALTOR®A pled the Fifth Amendment.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023


115

GUILTY



National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

116



Article 15
If You Don't Have Something Nice To Say...

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

117



118

Ensure that your comments about other real estate professionals are truthful and not misleading.

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

119

Case Study 15-2

- REALTOR®Z and Homeowner X were chatting on the golf course and Homeowner X asked REALTOR®Z to list his home. REALTOR®Z said 'no, I only represent buyers.'
- Homeowner X asked about REALTOR®A. REALTOR®Z said that REALTOR®A did not cooperate with other brokers and would not get a strong offer.
- Homeowner X's wife talked to REALTOR®A's wife and shared the comments.
- REALTOR®A filed a complaint of false and misleading statements.

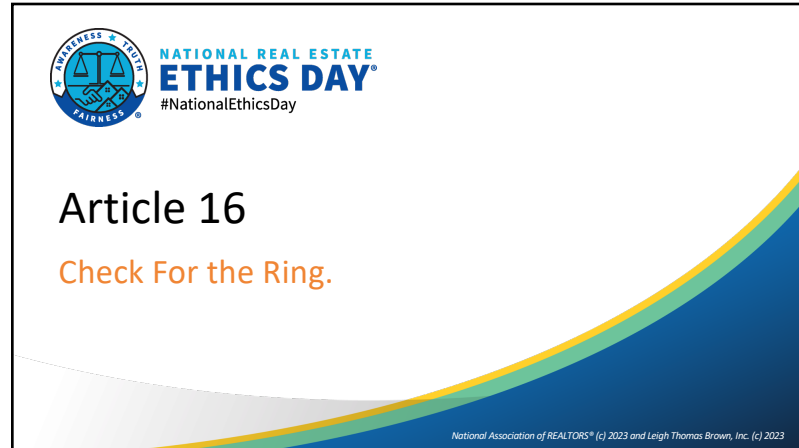
Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

120



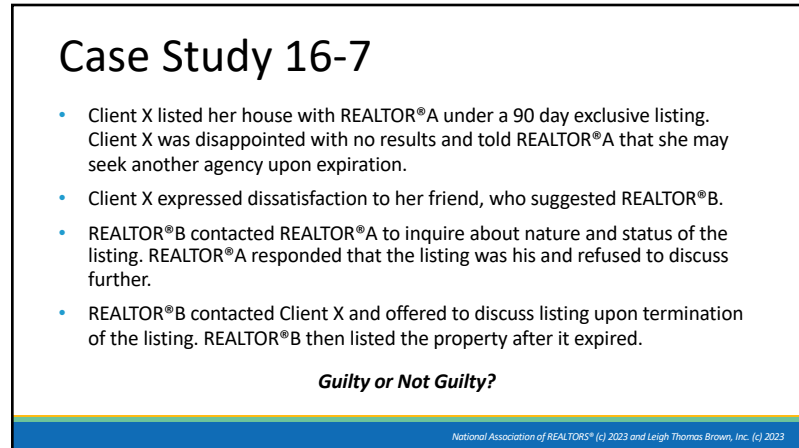
121



122



123



124



125

Case Study 16-9

- REALTOR®A designed an advertising campaign for newspaper and billboards around the city stating: 'Attention: All homeowners whose properties are for sale. Do you want results? If so, call REALTOR®A. He has a new marketing program that gets results.'
- REALTOR®A received a number of calls from homeowners currently listed with other REALTORS®. Those REALTORS® filed complaints for failing to respect exclusive agency.
- REALTOR®A defended his campaign by saying it was mass media and not directed at any particular owner and was not an attempt to induce owners to breach existing listings.

Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

126



127

Case Study 16-22

- REALTOR®A met Buyer C at an open house for her listing. Buyer C was not interested in the house, but REALTOR®A suggested her upcoming listing as a possibility.
- REALTOR®A offered to show the unlisted house to Buyer C, who preferred to have her own agent show it to her. REALTOR®A said that it would be sold prior to MLS and that Buyer C would miss out on the house. Buyer C then wrote an offer and closed on the house.
- REALTOR®B filed a complaint of interference with agency relationship.
- REALTOR®A's defense was that she did not know the agency agreement was exclusive.

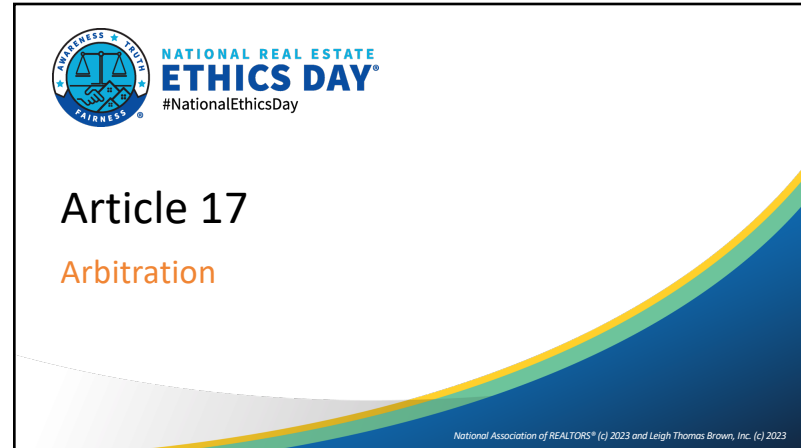
Guilty or Not Guilty?

National Association of REALTORS® (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

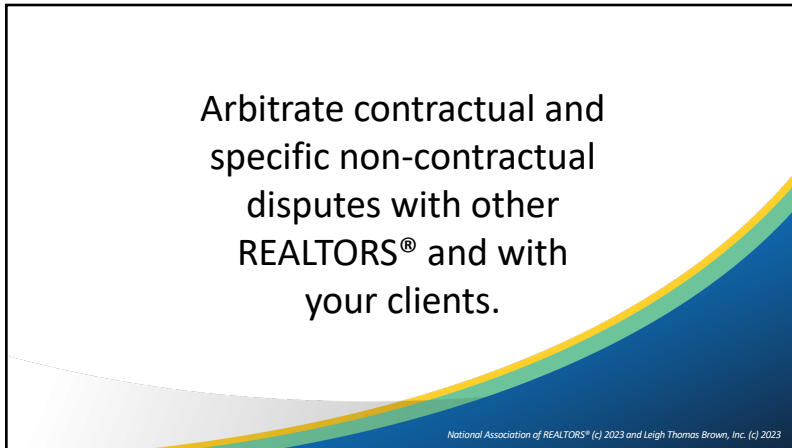
128



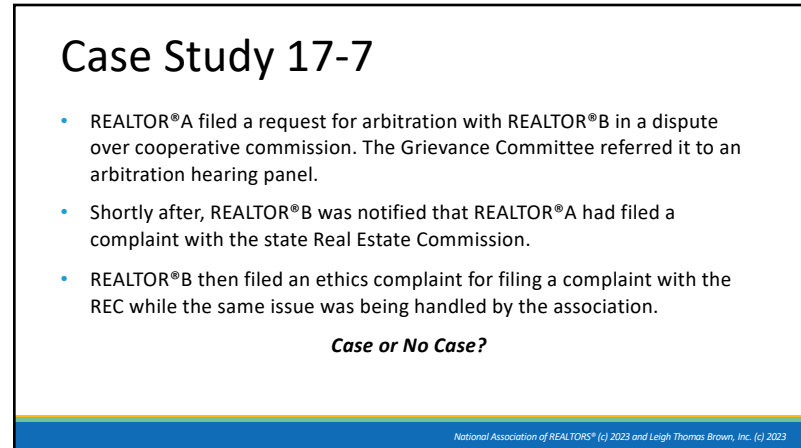
129



130



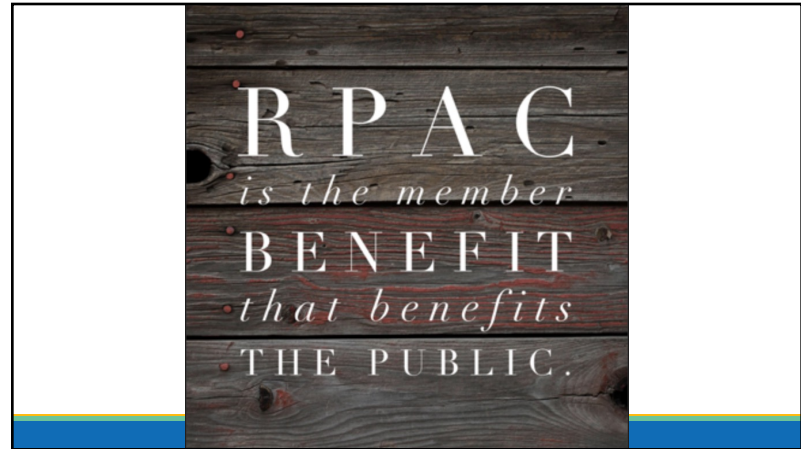
131



132



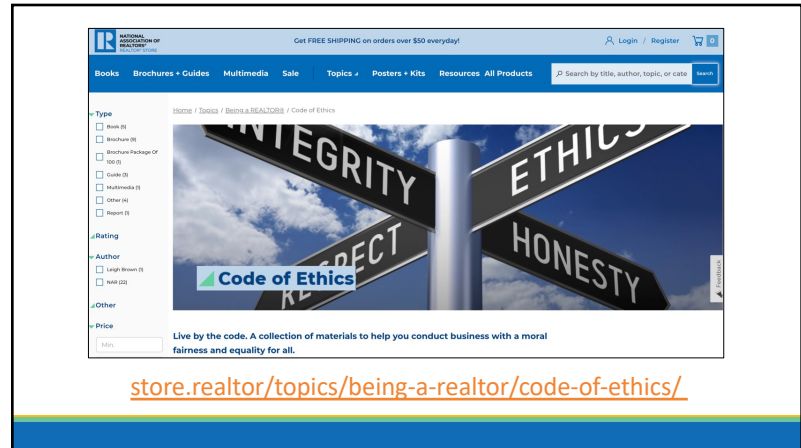
133




134



135



136



REALTORS[®]
RELIEF
FOUNDATION

Text TEAMRRF to 71777

137

Ask your questions live at:

www.facebook.com/NationalCodeofEthicsDay

*Thank you to our
Ethics Panel of Advisors*



Hashtag your posts:
#NationalEthicsDay



National Association of REALTORS[®] (c) 2023 and Leigh Thomas Brown, Inc. (c) 2023

138



RESOURCES

NationalEthicsDay.com/participant

139