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**Course Name:** REALTOR® Code of Ethics: Conversion Using the Code

**Instructor:**  Leigh Brown

**Duration of Course:** 4 hr (200 instructional minutes)

**Course Description**

Understanding the Code of Ethics and its requirements makes us a better REALTOR®. This course will walk REALTORS® through ALL of the articles of the Code with emphasis on the most misunderstood and/or are most violated. REALTORS® will learn how Fair Housing \*should\* impact their business and their community for the better. 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.

This course also offers fresh thinking on professional courtesies, how to play well in the sand box and moving forward with better peer to peer relationships with knowledge gleaned from the course, taught by renowned author, motivational speaker and successful Realtor®, Leigh Brown.

**Objectives**

Upon completion of “**REALTOR® Code of Ethics: Conversion Using the Code**” course, participants will be able to:

1. Briefly describe the history of the Code of Ethics as it relates to its origins, its influence on state licensing laws and its establishment of arbitration as the monetary dispute resolution process between REALTORS®.
2. Identify concepts in the Preamble to the Code of Ethics, including concepts such as the wide distribution of land ownership, highest and best use of the land, principles of competency, fairness and high integrity and the concept of adherence to the Code regardless of an inducement of profit and/or an instruction from clients to the contrary.
3. Identify the Golden Rule as one of the foundations upon which the Code of Ethics is built.
4. List the major categories of Articles in the Code (Duties to Clients and Customers, Duties to the Public and Duties to REALTORS®).
5. Describe the structure of the Code and its supporting materials (Articles, Standards of Practice and Case Interpretations).
6. List Articles of the Code which are commonly the subject of complaints.
7. Describe the concepts of these commonly cited Articles of the Code, including Articles 1, 2, 9, 12, and 16.
8. Explain Standard of Practice 10-5 in a way that makes folks understand it’s about improvement, not about purge.
9. Explain and live by Fair Housing and how one REALTOR®'s actions can affect the Realtor® community.
10. Given case studies, fact scenarios or similar interactive learning methods, identify possible violations of the Code of Ethics, specifically related to the commonly cited Articles.
11. Describe the professional standards enforcement process of the Association, including the distinction between an ethics complaint and an arbitration request, and the differences between the Grievance Committee and the Professional Standards Committee.
12. How to be a team player in your market, the power of networking and building relationships with peers, and how to navigate difficult situations or conversations with peers.

**Timed Outline**

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| Minutes Outline | |
| **10** | 1. **The History of The Code** 2. **Aspirational Concepts of the Preamble to the Code** 3. **The Structure of the Code**    1. Three major sections    2. The Standards of Practice    3. The Code’s 17 Articles are broad statements of ethical principles.    4. Important Note: Only violations of the Articles can result in disciplinary action. |
| **10** | 1. **How the Code Evolves**    1. When needed, amendments to the Code, the Standards of Practice, and the Official Interpretations are made at the NAR Midyear Meetings and the REALTORS® Conference and Expo.    2. The NAR Interpretations and Procedures Subcommittee frequently make recommendations to the Professional Standards Committee about enhancements to professional standards procedures and to the Code of Ethics.    3. All proposed changes to the Code and to the policies and procedures by which the Code is enforced must be approved by the Board of Directors. Amendments to the 17 Articles must also be approved by the Delegate Body.    4. New and Amended Policies 2023 2. **The Preamble**    1. “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” |
| **10** | **6. Article 1 – The Honest Messenger**   1. “When representing a buyer, seller, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly” 2. Standard of Practice 1-8 Amended 1/22 3. Case #1-1: Concession price 4. Guilty or Not Guilty? 5. Case #1-17: Misled as to market value 6. Guilty or Not Guilty? 7. Standard of Practice 1-3 8. Case #1-18: Not advising against the sale 9. Guilty or Not Guilty? 10. Case #1-5: Failure to promote and protect the client’s best interest 11. Guilty or Not Guilty? |
| **10** | **7. Article 2 – Just the Facts, Ma’am**   1. Avoid exaggeration, misrepresentation and concealment of pertinent facts. Do not reveal facts that are confidential under the scope of your agency relationship. 2. Case #2-1: Complaint of misrepresentation 3. Guilty or Not Guilty? 4. Case #2-6: Failure to Make Good a Commitment 5. Guilty or Not Guilty? |
| **10** | **BREAK** |
| **10** | **8. Article 3 – Can’t We All Get Along**   1. Cooperate with other real estate professionals to advance your client’s best interests. 2. Case #3-4: Failure to Cooperate 3. Guilty or not Guilty 4. Case #3-8: Special Agreement was undisclosed 5. Guilty or not Guilty 6. Case #3-13: Commission Unilaterally Modified After Submitted Offer 7. Guilty or not Guilty 8. Pathways to Professionalism 9. C2EX explained |
| **10** | **9. Article 4 – Secret Secrets Are No Fun**   1. When buying or selling, make your position in the transaction or interest known. (Amended 1/25) 2. Standard of Practice 4-1 and 4-2 (Amended 1/25) 3. Case #4-3: Failure to Disclose Relationship From Offer Presented 4. Guilty or Not Guilty? 5. Case #4-4: Violation for selling the property to his mother without disclosure 6. Guilty or Not Guilty? |
| **5** | **10. Article 5 – Tell ‘Em How You Feel**   1. Disclose present or contemplated interest in any property to all parties. 2. Case #5-1: Contemplated Interest in Property Appraised 3. Guilty or Not Guilty? |
| **5** | **11. Article 6 – Side Dealing?**   1. Avoid side deals without your client’s informed consent. 2. Case #6-1: Property Manager Dispute Over Billing Prices 3. Guilty or Not Guilty? |
| **5** | **12. Article 7 – Who’s Paying Whom?**   1. Accept compensation from only one party, except with full disclosure and informed consent. 2. Case #7-1: Acceptance of Compensation from Buyer and Seller 3. Guilty or Not Guilty? |
| **5** | **13. Article 8 – No Money Under the Mattress**   1. Keep the funds of clients and customers in escrow. 2. Case #8-2: Failure to send forfeited deposit as specified in the listing agreement 3. Guilty or Not Guilty? |
| **5** | **14. Article 9 – If It Ain’t in Writing**   1. Assure, whenever possible, that transactional details are in writing. |
| **10** | **BREAK** |

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| **10** | **15.** | **Article 10 – What You Do For One, You Do For All**   1. History of Fair Housing legislation 2. Article 10 Amended 1/23 3. What is FRESH CORN? 4. Provide equal service to all clients and customers. 5. Case #10-3: Failure to provide equal professional service to a woman 6. Guilty or Not Guilty? 7. Case #10-2: Denial of Equal Professional Service 8. Guilty or Not Guilty? 9. Case #10-4: Use of “Choose Your Neighbor” Form Letters as   Part of a Marketing Campaign 10. E. Guilty or Not Guilty? 11. We want all buyers to know about your home |
| **15** | **16** | **New Standard of Practice 10-5**   1. Case #10-6: Use of Hate Speech and Slurs on the Basis of Race 2. Guilty or Not Guilty? 3. Case #10-7: Use of Harassing Speech on the Basis of Political Affiliation 4. Guilty or Not Guilty? 5. Case #10-9: Use of Speech or Ideas Included in Religious Doctrine 6. Guilty or Not Guilty? 7. Case #10-10: Use of Speech or Ideas Included in Religious Doctrine 8. Guilty or Not Guilty? 9. Case #10-11: Display of Symbols 10. Guilty or Not Guilty? |
| **10** |  | Does Fair Housing stop at protected classes?  • Socioeconomic status • Education level  Tips for promoting Fair Housing  • Consistency  • Intake sheets  • MLS /Advertising verbiage  Fairhaven program explained  Available Fair housing social marketing |
| **5** | **17.** | **Article 11 – Learn and Ask Before You Proclaim**   1. Be knowledgeable and competent in the fields of practice in which you ordinarily engage. Obtain assistance or disclose lack of experience if necessary. 2. Standard of Practice 11-2 (Amended 1/25) 3. Case #11-4: Failure to report assistance concerning values in the area 4. Guilty or Not Guilty? 5. Case #11-4: Appraiser’s Competence for Assignment 6. Guilty or Not Guilty? 7. Stay in your Lane |
| **5** | **18.** | **Article 12- How Old IS That Picture**   1. Present a true picture in your advertising and other public representations. 2. Standard of Practice 12-11 Amended 1/22 3. Case #12-11: Selling broker entitled to advertise his role in sold properties 4. Guilty or Not Guilty? 5. Case #12-19: Failure to present a true picture and advertising without authority 6. Guilty or Not Guilty? |

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| **5** | **19. Article 13 – You’re Not An Attorney (Unless You Are)**   * Do not engage in the unauthorized practice of law. * Case #13-1: Complaint with the Pro Standards Committee * Guilty or Not Guilty? * Case #13-3: Providing Bad Advice * Guilty or Not Guilty? |
| **5** | **20. Article 14 – Go To Time-Out**   1. Be a willing participant in Code enforcement procedures. 2. Code Enforcement Responsibilities 3. Case #14-2: Refusal to Submit Pertinent Facts 4. Guilty or Not Guilty? |
| **5** | **21. Article 15 – If You Don’t Have Something Nice to Say**   1. Ensure that your comments about other real estate professionals are truthful and not misleading. 2. Case #15-2: Intentional Misrepresentation of a Competitor’s Business Practices 3. Guilty or Not Guilty? |
| **5** | **22. Article 16 – Check For The Ring**  A. Respect the exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with their clients.  B. Case #16-7: Listing Property After Termination  C. Guilty or Not Guilty?  D. Case #16-9: Failure To Respect Exclusive Agency  E. Guilty or Not Guilty?  F. Case #16-22: Interference with Agency Relationship  G. Guilty or Not Guilty? |
| **5** | **23. Article 17 – Arbitration**   * 1. Arbitrate contractual and specific non-contractual disputes with other REALTORS® and with your clients.   2. Case #17-7: Filing Complaint With REC While Same Issue Was Being Handled By The Association   3. Case or No Case? |
| **10** | **BREAK** |

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| Minutes Outline | |
| **10** | **REALTOR® to REALTOR® Relationships**  Bring Real Estate to a Higher Level.  **What is Professionalism?**  Public + Professional. |
| **15** | **It’s Not Your Property**  It’s not your clients’ property, either.  Appointment practices.  Attire matters.  Technology.  Listing agents are responsible, too.  Leave it as you found it.  Cultural awareness.  Why you stay with the client.  Permissions needed.  Feedback practices. |
| **15** | **Communication**  Off on the right foot.  Communications pathways.  Acknowledgement  MLS/Advertising Verbiage  GIGO (Garbage In / Garbage Out).  Speed  Deadlines  Virtual tours and why you should be careful |
| **5** | **Important Tips**  If you don’t know, don’t say so.  It’s not what you THINK, it’s what you KNOW.  You’re going to be around one another more than your clients, so think long term. |
| **5** | **Resources**   * Professionalism in Real Estate Practice * RPAC * Competition.Realtor * Store.realtor – Code of Ethics |

\*The NAR Code of Ethics is being used only as a teaching tool. The NAR Code of Ethics provisions that are outside of the

Virginia Real Estate Board's laws and regulations are not applicable to Real Estate Board licensees.