

2020 Summary of Key Professional Standards Changes

This summary highlights substantive issues and changes, but is not all-inclusive. For complete information detailing all the changes see the 2019 Professional Standards Committee Actions for the REALTORS® Legislative Meetings and Trade Expo and the REALTORS® Conference and Expo at nar.realtor:

(<https://www.nar.realtor/natmeet.nsf/ViewROAgMinCategory?ReadForm<r=P&cmt=Professional%20Standards%20Committee>). Also, review the shaded portions of the 2020 *Code of Ethics and Arbitration Manual* which highlights all the changes.

Change to the *Code of Ethics and Standards of Practice*

(underscoring indicates additions, strikeouts indicate deletions)

- **Standard of Practice 1-7 is amended as follows:**

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall, as soon as practical, provide a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease.

- **New Standard of Practice 3-11 is adopted as follows:**

REALTORS® may not refuse to cooperate on the basis of a broker's race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

- **Standard of Practice 12-3 is deleted, and Standard of Practice 12-1 is revised as follows:**

Unless they are receiving no compensation from any source for their time or services, REALTORS® may use the term "free" and similar terms in their advertising and in other representations provided that all terms governing availability of the offered product or service are clearly disclosed at the same time only if they clearly and conspicuously disclose:

- 1) by whom they are being, or expect to be, paid;
- 2) the amount of the payment or anticipated payment;
- 3) any conditions associated with the payment, offered product, or service; and
- 4) any other terms relating to their compensation.

Changes to the *Code of Ethics and Arbitration Manual (Manual)*

(underscoring indicates additions, strikeouts indicate deletions)

- **PS Policy Statement #45, Publishing the Names of Code of Ethics Violators**

Associations may, as a matter of local discretion, adopt one of the following options authorizing the publication of the names of ethics violators, subject to the following qualifications:

Publication Option #1:

Publication can only occur after a second violation occurs within three (3) years.

Ethics citation discipline is not included in the violation count unless the association has affirmatively authorized publication within their citation policy.

Publication can only be made in an official communication vehicle intended primarily for members of the Association(s) in which the violator holds (held) membership. Where the official communication vehicle is electronic or Internet-based, access must be limited to Association members.

The name of the firm the violator is (or was) licensed with cannot be published.

Publication must be consistent and uniform. This means that publication may not occur selectively but must be used in each instance where a second violation is determined within three (3) years.

Other than the violator's name, the only additional information that may be published is the Article violated, and the discipline imposed, except that in cases where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published.

At least one of the violations must be based on conduct which occurs after the adoption of the Association's publication procedures.

Associations may adopt Publication Option #1 and may increase the timeframe with which publication occurs for certain discipline, the content of the publication to include photos or a description of the violation(s), or any combination thereof, only to the extent that is permissible under Publication Option #2. Any program that exceeds the scope of Publication Option #1, as defined above, must include local or state association legal counsel review of the decision, discipline, and information to be published.

Publication Option #2:

Publication can occur in all instances in which violators are disciplined with a letter of reprimand, a fine (ethics citation fines are not included in publications unless the association has affirmatively adopted policy to include them), a suspension, and/or an expulsion.

Prior to publication, local or state association legal counsel must review the decision, discipline, and information to be published.

Publication can only be made in an official communication vehicle intended primarily for members of the Association(s) in which the violator holds (held) membership. Where the official communication vehicle is electronic or internet-based, access must be limited to Association members.

The name of the firm the violator is (or was) licensed with cannot be published.

Publication must be consistent and uniform. This means that publication may not occur selectively but must be used in each instance where the discipline imposed meets the Association's publication criteria.

Other than the violator's name and a photo of the violator, the only additional information that may be published is the Article(s) violated, a description of the violation(s) with all names redacted except for the name of the violator, and the discipline imposed, except that in cases where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published.

Publication must be based on conduct which occurs after the adoption of the Association's publication procedures.

Publication under this policy does not authorize dissemination of ethics complaints. Findings and decisions may not be disseminated in their original form, and must be condensed prior to publication.

- **PS Policy Statement, #48, REALTORS® Code of Ethics Training**

Effective January 1, 2001 through December 31, 2004, and for successive four (4) year periods ending December 31, 2016, REALTORS® were required to complete quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. Beginning January 1, 2017 through December 31, 2018, and for successive two (2) year periods thereafter, REALTORS® ~~are~~ were required to complete biennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. In 2019, the Board of Directors extended the training requirement from every two (2) years to every three (3) years and extended the then current cycle deadline from December 31, 2020 to December 31, 2021. The following cycle begins January 1, 2022 and ends December 31, 2024. REALTORS® completing such training during any ~~two (2)~~ three (3) year cycle shall not be required to complete additional ethics training in respect of this requirement as a requirement of membership in any other Board or Association.

A REALTOR® completing the new member Code of Ethics orientation during any ~~two (2)~~ three (3) year cycle shall not be required to complete additional ethics training in respect of this requirement until a new ~~two (2)~~ three (3) year cycle commences.

Failure to complete the required periodic ethics training shall be considered a violation of a membership duty.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any ~~two (2)~~ three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Every Board and Association is required to provide access to necessary ethics training programs either locally, in conjunction with other Boards and Associations, or through other providers the Association partners with ~~methods (including, but not limited to, home study, correspondence courses, or Internet-based instruction)~~. Any training offered pursuant to this requirement must meet the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time.

Additional Points of Interest

1. In 2019, there were four case interpretation revised and two new case interpretations adopted. All new and revised case interpretations may be found mid-January at nar.realtor. All new and revised cases are also included in Appendix 1 to this document.
2. The Citation Policy's Schedule of Fines (first page) was revised given the amendment to Standard of Practice 1-7, as reflected in Appendix 2 to this document.
3. The National Association's Mediation Training Seminar will be held in Chicago September 9, 10, and 11, 2020. To register any time after February 1, please go to: <https://www.nar.realtor/events/mediator/mediation-training>.
4. The complete listing of all Statements of Professional Standards Policy, in chronological order, is available on-line at nar.realtor. Policy Statements applicable to ethics and arbitration remain in the *Code of Ethics and Arbitration Manual* in their respective sections, but the complete list appears on-line: <http://www.nar.realtor/policy/statements-of-professional-standards-policy>
5. The Professional Standards Training Guide, NAR Model Citation Policy, the Ombudsman Procedures, Ethics Mediation, and the Ethics Fast Track Supplement are found on-line:
<http://www.nar.realtor/policy/professional-standards-training-guide>
<https://www.nar.realtor/policy/nar-model-citation-policy-and-schedule-of-fines>
<https://www.nar.realtor/ae/manage-your-association/local-and-state-association-ombudsman-services>
<https://www.nar.realtor/code-of-ethics-and-arbitration-manual/ethics/part-4-appendix-xi-ethics-mediation>
<https://www.nar.realtor/about-nar/policies/fast-track-supplement-to-ceam>

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