

Code of Ethics and Standards of Practice

of the

NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 1993

Where the word REALTORS® is used in this Code and Preamble, it shall be deemed to include REALTOR-ASSOCIATE®s.

While the Code of Ethics establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethics and the law conflict, the obligations of the law must take precedence.

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. REALTORS® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which REALTORS® should dedicate themselves, and for which they should be diligent in preparing themselves. REALTORS®, therefore, are zealous to maintain and improve the standards of their calling and share with their fellow REALTORS® a common responsibility for its integrity and honor. The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.

In the interpretation of this obligation, REALTORS® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, "Whatsoever ye would that others should do to you, do ye even so to them."

Accepting this standard as their own, REALTORS® pledge to observe its spirit in all of their activities and to conduct their business in accordance with the tenets set forth below.

Articles 1 through 5 are aspirational and establish ideals REALTORS® should strive to attain.

ARTICLE 1

In justice to those who place their interests in a real estate professional's care, REALTORS® should endeavor to become and remain informed on matters affecting real estate in their community, the state, and nation. (Amended 11/92)

ARTICLE 2

In the interest of promoting cooperation and enhancing their professional image, REALTORS® are encouraged to refrain from un-

solicited criticism of other real estate practitioners and, if an opinion is sought about another real estate practitioner, their business or their business practices, any opinion should be offered in an objective, professional manner. (Amended 11/92)

ARTICLE 3

REALTORS® should endeavor to eliminate in their communities any practices which could be damaging to the public or bring discredit to the real estate profession. REALTORS® should assist the governmental agency charged with regulating the practices of brokers and sales licensees in their states. (Amended 11/87)

ARTICLE 4

To prevent dissension and misunderstanding and to assure better service to the owner, REALTORS® 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 their associates, and their own businesses, REALTORS® should willingly share with other REALTORS® the lessons of their experience and study for the benefit of the public, and should be loyal to the Board of REALTORS® of their community and active in its work.

Articles 6 through 23 establish specific obligations. Failure to observe these requirements subject REALTORS® to disciplinary action.

ARTICLE 6

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

• Standard of Practice 6-1

REALTORS® shall not misrepresent the availability of access to show or inspect a listed property. (Cross-reference Article 22.) (Amended 11/87)

• Standard of Practice 6-2

Article 6 is not intended to prohibit otherwise ethical, aggressive or innovative business practices. "Controversies", as used in Article 6, does not relate to disputes over commissions or divisions of commissions. (Adopted 4/92)

ARTICLE 7

When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation of absolute fidelity to the client's interests 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. (Amended 11/92)

• Standard of Practice 7-1(a)

REALTORS® shall submit offers and counter-offers as quickly as possible. (Adopted 11/92)



NATIONAL ASSOCIATION
OF REALTORS®

The Voice for Real Estate®

• **Standard of Practice 7-1(b)**

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. 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. (Cross-reference Article 17.) (Amended 11/92)

• **Standard of Practice 7-1(c)**

REALTORS® acting as agents 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. REALTORS® acting as agents 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 11/92)

• **Standard of Practice 7-2**

REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®'s services. (Amended 11/92)

• **Standard of Practice 7-3**

REALTORS®, 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**

REALTORS®, when acting as principals in a real estate transaction, remain obligated by the duties imposed by the Code of Ethics. (Amended 11/92)

• **Standard of Practice 7-7**

REALTORS® may represent the seller/landlord and buyer/tenant in the same transaction only after full disclosure to and with informed consent of both parties. (Cross-reference Article 9) (Adopted 11/92)

• **Standard of Practice 7-8**

The obligation of REALTORS® to preserve confidential information provided by their clients continues after the termination of the agency relationship. REALTORS® shall not knowingly, during or following the termination of a professional relationship with their client:

- 1) reveal confidential information of the client; or
- 2) use confidential information of the client to the disadvantage of the client; or
- 3) use confidential information of the client for the REALTORS®' advantage or the advantage of a third party unless the client consents after full disclosure unless:
 - a) required by court order; or
 - b) it is the intention of the client to commit a crime and the information is necessary to prevent the crime; or
 - c) necessary to defend the REALTOR® or the REALTOR®'s

employees or associates against an accusation of wrongful conduct. (Cross-reference Article 9) (Adopted 11/92)

ARTICLE 8

In a transaction, REALTORS® shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of the REALTOR®'s client or clients. (Amended 11/92)

ARTICLE 9

REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency duties owed to their clients. (Amended 11/92)

• **Standard of Practice 9-1**

REALTORS® shall not be parties 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**

REALTORS® 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**

REALTORS® 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 and contemplated personal interest, if any, when seeking information from another REALTOR® concerning real property. (Cross-reference to Article 12) (Amended 11/92)

• **Standard of Practice 9-7**

The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, purchasing, or leasing through the REALTOR® making the offer. However, REALTORS® 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. (Amended 11/92)

• **Standard of Practice 9-8**

REALTORS® 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)

• Standard of Practice 9-9

REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale and a different amount of commission is payable if the sale results through the efforts of the seller or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale that results through the efforts of the seller. (Amended 11/91)

• Standard of Practice 9-10(a)

When entering into listing contracts, REALTORS® must advise sellers/landlords of:

- 1) the REALTOR®'s general company policies regarding cooperation with subagents, buyer/tenant agents, or both;
- 2) the fact that buyer/tenant agents, even if compensated by the listing broker, or by the seller/landlord will represent the interests of buyers/tenants; and
- 3) any potential for the listing broker to act as a disclosed dual agent, e.g. buyer/tenant agent. (Adopted 11/92)

• Standard of Practice 9-10(b)

When entering into contracts to represent buyers/tenants, REALTORS® must advise potential clients of:

- 1) the REALTOR®'s general company policies regarding cooperation with other firms; and
- 2) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g. listing broker, subagent, landlord's agent, etc. (Adopted 11/92)

• Standard of Practice 9-11

Factors defined as "non-material" by law or regulation or which are expressly referenced in law or regulation as not being subject to disclosure are considered not "pertinent" for purposes of Article 9. (Adopted 11/92)

ARTICLE 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. 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, handicap, familial status, or national origin. (Amended 11/89)

ARTICLE 11

REALTORS® are expected to provide a level of competent service in keeping with the standards of practice in those fields in which the REALTOR® customarily engages.

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage 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 persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth.

REALTORS® 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 REALTORS® submit an oral or written opinion of the value of real property for a fee, their opinion shall be supported by a memorandum in the 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

REALTORS® shall not undertake to make an appraisal when their employment or fee is contingent upon the amount of appraisal.

• Standard of Practice 11-3

REALTORS® engaged in real estate securities and syndications transactions are engaged in an activity subject to regulations beyond those governing real estate transactions generally, and therefore have the affirmative obligation to be informed of applicable federal and state laws, and rules and regulations regarding these types of transactions.

ARTICLE 12

REALTORS® shall not undertake to provide professional services concerning a property or its value where they have a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

• Standard of Practice 12-1

(Refer to Standards of Practice 9-4 and 16-1, which also relate to Article 12, Code of Ethics.) (Amended 5/84)

ARTICLE 13

REALTORS® shall not acquire an interest in or buy or present offers from themselves, any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest, any real property without making their true position known to the owner or the owner's agent. In selling property they own, or in which they have any interest, REALTORS® shall reveal their ownership or interest in writing to the purchaser or the purchaser's representative. (Amended 11/90)

• Standard of Practice 13-1

For the protection of all parties, the disclosures required by Article 13 shall be in writing and provided by REALTORS® prior to the signing of any contract. (Adopted 2/86)

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.

In the event clients of REALTORS® wish to arbitrate contractual disputes arising out of real estate transactions, REALTORS® shall arbitrate those disputes in accordance with the regulations of their Board, provided the clients agree to be bound by the decision. (Amended 11/92)

• Standard of Practice 14-1

The filing of litigation and refusal to withdraw from it by REALTORS® in an arbitrable matter constitutes a refusal to arbitrate. (Adopted 2/86)

• Standard of Practice 14-2

Article 14 does not require REALTORS® to arbitrate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to arbitrate before the Board. (Amended 11/92)

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, REALTORS® shall place all pertinent facts before the proper tribunals 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)

• Standard of Practice 15-1

REALTORS® shall not be subject to disciplinary proceedings in more than one Board of REALTORS® with respect to alleged violations of the Code of Ethics relating to the same transaction.

• Standard of Practice 15-2

REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review. (Amended 11/91)

• Standard of Practice 15-3

REALTORS® shall not obstruct the Board's investigative or disciplinary proceedings by instituting or threatening to institute actions for libel, slander or defamation against any party to a professional standards proceeding or their witnesses. (Adopted 11/87)

• Standard of Practice 15-4

REALTORS® shall not intentionally impede the Board's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. (Adopted 11/88)

ARTICLE 16

When acting as agents, REALTORS® shall not accept any commission, rebate, or profit on expenditures made for their principal, without the principal's knowledge and consent. (Amended 11/91)

• Standard of Practice 16-1

REALTORS® shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion. (Amended 5/88)

• Standard of Practice 16-2

When acting as agents or subagents, REALTORS® shall disclose to a client or customer if there is any financial benefit or fee the REALTOR® or the REALTOR®'s firm may receive as a direct result of having recommended real estate products or services (e.g., homeowner's insurance, warranty programs, mortgage financing, title insurance, etc.) other than real estate referral fees. (Adopted 5/88)

ARTICLE 17

REALTORS® 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

REALTORS® shall keep in a special account in an appropriate financial institution, separated from their own funds, monies coming into their possession in trust for other persons, such as escrows, trust funds, clients' monies, and other like items.

ARTICLE 19

REALTORS® shall be careful at all times to present a true picture in their advertising and representations to the public. REALTORS® shall also ensure that their professional status (e.g., broker, appraiser, property manager, etc.) or status as REALTORS® is clearly identifiable in any such advertising. (Amended 11/92)

• Standard of Practice 19-1

REALTORS® shall not offer for sale/lease or advertise property without authority. When acting as listing brokers or as subagents, REALTORS® shall not quote a price different from that agreed upon with the seller/landlord. (Amended 11/92)

• Standard of Practice 19-2

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

• Standard of Practice 19-3

REALTORS®, when advertising unlisted real property for sale/lease in which they have an ownership interest, shall disclose their status as both owners/landlords and as REALTORS® or real estate licensees. (Amended 11/92)

• Standard of Practice 19-4

REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise listed property without disclosing the name of the firm. (Adopted 11/86)

• Standard of Practice 19-5

Only REALTORS® as listing brokers, may claim to have "sold" the property, even when the sale resulted through the cooperative efforts of another broker. However, after transactions have closed, listing brokers may not prohibit successful cooperating brokers from advertising their "cooperation," "participation," or "assistance" in the transaction, or from making similar representations.

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

ARTICLE 20

REALTORS®, 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 their signing such agreement.

• Standard of Practice 20-1

At the time of signing or initialing, REALTORS® shall furnish to each party a copy of any document signed or initialed. (Adopted 5/86)

• Standard of Practice 20-2

For the protection of all parties, REALTORS® shall use reasonable care to ensure that documents pertaining to the purchase, sale, or lease of real estate are kept current through the use of written extensions or amendments. (Amended 11/92)

ARTICLE 21

REALTORS® shall not engage in any practice or take any action inconsistent with the agency of other REALTORS®.

• Standard of Practice 21-1

Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord. (Amended 11/92)

• Standard of Practice 21-2

REALTORS® acting as subagents or as buyer/tenant agents, shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker. (Amended 11/92)

• Standard of Practice 21-3

REALTORS® 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 the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. (Amended 11/86)

• Standard of Practice 21-4

REALTORS® shall not use information obtained by them 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/tenant prospect unless such use is authorized by the listing broker. (Amended 11/92)

• Standard of Practice 21-5

The fact that an agency agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from entering into a similar agreement after the expiration of the prior agreement. (Amended 11/92)

• Standard of Practice 21-6

The fact that a client has retained a REALTOR® as an agent in one or more past transactions does not preclude other REALTORS® from seeking such former client's future business. (Amended 11/92)

• Standard of Practice 21-7

REALTORS® 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.) (Amended 5/88)

• Standard of Practice 21-8

When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an agency relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agency agreement or, alternatively, may enter into an agency agreement which becomes effective upon expiration of any existing exclusive agreement. (Amended 11/92)

• Standard of Practice 21-9

In cooperative transactions REALTORS® shall compensate cooperating REALTORS® (principal brokers) and shall not compen-

sate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other REALTORS® 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 prospective clients describing their services and the terms of their availability even though some recipients may have entered into agency agreements with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospective clients 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 solicitations:

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 prospective clients 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" or "for rent" 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. (Amended 11/92)

• Standard of Practice 21-11

REALTORS®, prior to entering into an agency agreement, have an affirmative obligation to make reasonable efforts to determine whether the client is subject to a current, valid exclusive agreement to provide the same type of real estate service. (Amended 11/92)

• Standard of Practice 21-12

REALTORS®, acting as agents of buyers or tenants, shall disclose that relationship to the seller/landlord's agent at first contact and shall provide written confirmation of that disclosure to the seller/landlord's agent not later than execution of a purchase agreement or lease. (Cross-reference Article 7.) (Amended 11/92)

• Standard of Practice 21-13

On unlisted property, REALTORS® acting as buyer/tenant agents shall disclose that relationship to the seller/landlord at first contact for that client and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement.

REALTORS® shall make any request for anticipated compensation from the seller/landlord at first contact. (Cross-reference Article 7.) (Amended 11/92)

• Standard of Practice 21-14

REALTORS®, acting as agents of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement. (Amended 11/92)

• Standard of Practice 21-15

Article 21 does not preclude REALTORS® 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 clients of other REALTORS® to whom such offers to provide services may be made. (Amended 11/92)

• **Standard of Practice 21-16**

REALTORS®, acting as subagents or buyer/tenant agents, shall not use the terms of an offer to purchase/lease 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/lease contingent on the listing broker's agreement to modify the offer of compensation. (Amended 11/92)

• **Standard of Practice 21-17**

Where property is listed on an open listing basis, REALTORS® acting as buyer/tenant agents may deal directly with the seller/landlord. (Adopted 11/92)

• **Standard of Practice 21-18**

All dealings concerning property exclusively listed, or with buyer/tenants who are exclusively represented shall be carried on with the client's agent, and not with the client, except with the consent of the client's agent. (Adopted 11/92)

ARTICLE 22

REALTORS® shall cooperate with other brokers except when cooperation is not in the client's best interest. (Amended 11/92)

• **Standard of Practice 22-1**

It is the obligation of subagents to promptly disclose all pertinent facts to the principal's agent prior to as well as after a purchase or lease agreement is executed. (Cross-reference to Article 9) (Amended 11/92)

• **Standard of Practice 22-2**

REALTORS® shall submit offers and counter-offers, in an objective manner. (Amended 11/92)

• **Standard of Practice 22-3**

REALTORS® shall disclose the existence of an accepted offer to any broker seeking cooperation. (Adopted 5/86)

• **Standard of Practice 22-4**

REALTORS®, acting as exclusive agents of sellers, establish 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

REALTORS® shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices. (Amended 11/91)

The Code of Ethics was adopted in 1913. Amended at the Annual Convention in 1924, 1928, 1950, 1951, 1952, 1955, 1956, 1961, 1962, 1974, 1982, 1986, 1987, 1989, 1990, 1991, and 1992.

EXPLANATORY NOTES (Amended 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.



NATIONAL ASSOCIATION
OF REALTORS®
430 North Michigan Avenue
Chicago, Illinois 60611

