



CODE OF ETHICS

NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

Preamble

UNDER all is the land. Upon its wise utilization and wide-spread ownership depend the advancement of national well-being and the perpetuation of the free institutions that go to make the American way of life.

Through the Realtor, the land resource of the nation has been husbanded and developed; and through him ownership has attained its widest distribution—a distinguishing mark that differentiates this from other civilizations and provides the real safeguard against radical impenetrations.

The Realtor is a creator of homes, both urban and rural, and by his activities molds the form of his future city, not only in the living of its people, but in its commercial and industrial aspects.

Such functions impose obligations beyond those of ordinary business; they impose grave social responsibilities which the Realtor can meet only by diligent preparation and by dedicating himself as a patriotic duty, to their fulfillment.

Therefore must the Realtor be zealous to maintain and continually improve the professional standards of his calling. He shares with his fellow-Realtors a common responsibility for the integrity and honor of that calling. No safer guide for his conduct exists than that counsel, handed down through the centuries, and embodied in the Golden Rule:

“Whatsoever ye would that men should do unto you, even so do ye also unto them.”

Accepting this counsel as his gauge, every Realtor pledges himself to observe its spirit in all his dealings and to conduct his business in accordance with the following Code of Ethics, adopted by the National Association of Real Estate Boards:

Part I *Relations to the Public*

ARTICLE 1.

The Realtor should keep himself informed as to movements in his community affecting real estate, and also as to state and national policies, so that he may be able to guide public thinking by sound conclusions on matters of taxation, legislation, land use, city planning, and other like questions.

ARTICLE 2.

It is the duty of the Realtor to be always well informed on current market conditions and to seek to place himself in position to advise his clients as to fair worth under the existing market.

ARTICLE 3.

It is the duty of the Realtor to protect the public against fraud, misrepresentation or unethical practices in the real estate field.

He should endeavor to stamp out or prevent arising, in his community, various practices hitherto found damaging both to the public and to the dignity and stability of the real estate profession. If there be a board or commission in the State, charged with the duty of regulating the practices of brokers and salesmen, the Realtor should lend every help to such body, cooperating with it, and reporting violations of proper practice.

ARTICLE 4.

The Realtor should ascertain all pertinent facts concerning every property for which he accepts the agency, so that in offering the property, he may fulfill his obligation to avoid error, exaggeration or misrepresentation.

ARTICLE 5.

A Realtor should not be instrumental in introducing into a neighborhood a character of property or use which will clearly be detrimental to property values in that neighborhood.

ARTICLE 6.

The Realtor should not be a party to the naming of a false consideration in a deed, unless it be the naming of an obvious nominal consideration.

ARTICLE 7.

The Realtor should not engage in activities that constitute the practice of law and before a transaction is closed, should recommend that title be

examined and that legal counsel be obtained when the interest of either party seems to require it.

ARTICLE 8.

The Realtor should keep in a special bank account, separated from his own funds, monies coming into his hands in trust for other persons, such as escrows, trust funds, client's monies and other like items.

ARTICLE 9.

The Realtor in his public advertising should be especially careful to present a true picture and should not indulge in the practice of “blind ads” or permit salesmen to use individual names or telephone numbers, unless the salesmen's connection with the Realtor is obvious in the advertisement.

ARTICLE 10.

The Realtor for the protection of the public and of all parties with whom he deals, should see that financial obligations and commitments regarding real estate are in writing, expressing the exact agreement of the parties, and that copies of such agreements are placed in the hands of all parties involved.

Part II *Relations to the Client*

ARTICLE 11.

In accepting employment as an agent, the Realtor pledges himself to protect and promote, as he would his own, the interests of the client he has undertaken to represent; this obligation of absolute fidelity to the client's interest is primary, but does not relieve the Realtor from the equally binding obligation of dealing fairly with all parties to the transaction.

ARTICLE 12.

In justice to those who place their interests in his hands, the Realtor should endeavor always to be informed regarding the law, proposed legislation, legal orders issued and other essential facts and public policies which affect those interests.

ARTICLE 13.

Since the Realtor presumptively is representing one or another party to a transaction, he should not accept compensation from more than one party without the full knowledge of all parties to the transaction.

ARTICLE 14.

The Realtor should not buy property listed with him (or his company or firm) for himself, a corporation in which he has an interest, or for his firm or any member thereof, without making his true position known to the listing owner; likewise, in selling property owned by him, or in which he has some interest, the exact facts should be revealed to the purchaser.

ARTICLE 15.

The exclusive listing of property should be urged and practiced by the Realtor as a means of eliminating dissension and misunderstanding and of assuring better service to the owner.

ARTICLE 16.

When acting as agent in the management of property, a Realtor should not accept any commission, rebate or profit on expenditures made for an owner, without the owner's knowledge and consent.

ARTICLE 17.

When asked for a formal appraisal of real property, the Realtor should never give an unconsidered answer; his counsel constitutes a professional service which he should render only after having ascertained and weighed the facts, and then in writing over his signature; for this service he should make a fair charge. The Realtor should not undertake to make an appraisal on any property in which he is in any way financially interested, unless such interest is specifically disclosed in the appraisal report; under no circumstances should he undertake to make a formal appraisal when his employment is contingent upon the amount of his appraisal.

ARTICLE 18.

The Realtor should not submit or advertise property without authority and in any offering, the price quoted should not be other than that agreed upon with the owners as the offering price.

ARTICLE 19.

In the event that more than one formal offer on a specific property is made before the owner has accepted a proposal, all offers should be presented to the owner for his decision.

ARTICLE 20.

The acceptance of employment by the Realtor imposes the obligation of rendering skilled and conscientious service; when the Realtor is not qualified by experience, or is unable to render such service himself or with the aid of his fellow-Realtors, or when for some other reason, such as unreasonably high prices, he can not conscientiously represent that owner, then he should not accept employment.

Part III

Relations to His Fellow-Realtor

ARTICLE 21.

The Realtor should seek no unfair advantage over his fellow-Realtors and should willingly share with them the lessons of his experience and study.

ARTICLE 22.

The Realtor should so conduct his business as to avoid controversies with his fellow-Realtors; but, in the event of a controversy between Realtors who are members of the same real estate board,

such controversy should be submitted for arbitration in accordance with regulations of their board and not to a suit at law, and the decision in such arbitrations should be accepted as final and binding.

ARTICLE 23.

Controversies between Realtors who are not members of the same real estate board should be submitted for arbitration to an arbitration board consisting of one arbitrator chosen by each Realtor from real estate board to which he belongs and of one other member, or a sufficient number of members to make an odd number, selected by the arbitrators thus chosen.

ARTICLE 24.

When a Realtor is charged with unethical practice, he should voluntarily place all pertinent facts before the proper tribunal of the real estate board of which he is a member, for investigation and judgment.

ARTICLE 25.

A Realtor should never publicly criticize a competitor; he should never express an opinion of a competitor's transaction unless requested to do so by one of the principals, and his opinion then should be rendered in accordance with strict professional courtesy and integrity.

ARTICLE 26.

When a Realtor accepts a listing from another broker, the agency of the broker who offers the listing should be respected until it has expired and the property has come to the attention of the accepting Realtor from a different source, or until the owner, without solicitation, offers to list with the accepting Realtor unless contrary to the rules of the local real estate board; furthermore, such a listing should not be passed on to a third broker without the consent of the listing broker.

ARTICLE 27.

The Realtor should cooperate with other Realtors and should not refuse to share commissions with another Realtor who has a purchaser for property he has listed; where so cooperating in the sale or leasing of property, the Cooperating Realtor should carry on negotiations through the listing Realtor and should not deal directly with the owner except with the consent of the listing Realtor.

ARTICLE 28.

A Realtor should not solicit the services of an employee or salesman in the organization of a fellow-Realtor without the knowledge of the employer.

ARTICLE 29.

The "For Sale" or "For Rent" signs of not more than one Realtor should be maintained on any property unless the disposition of the property has been placed in the hands of two or more cooperating Realtors, and no sign should be erected on a property unless placement has been authorized in writing by the owner.

ARTICLE 30.

In the best interest of society, of his associates and of his own business, the Realtor should be loyal to the real estate board of his community and active in its work.

CONCLUSION

The term Realtor has come to connote competence, fair dealing and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instructions from clients ever can justify departure from this ideal, or from the injunctions of this Code.