

## REALTORS® AND PROFESSIONALISM

The reputation of Realtors® is critical to their success, and the Realtor® Code of Ethics serves to inspire great business practices for all Realtors®. How would the perception of Realtors® suffer if consumers did not perceive them as being honest or always acting in their clients' best interests? When a Realtor® engages in poor business practices, it not only affects their own reputation but the reputations of all Realtors®. It is important for Realtors® to do their part in correcting unethical behavior.

**Ideally, a civil conversation with the agent and/or their broker will correct the unethical behavior. NVAR also offers an Ombudsman Program to assist parties looking to resolve their disputes outside of a formal complaint process.**

An ethics complaint may still be filed if the conversation is unsuccessful, or a Complainant otherwise prefers to participate in the disciplinary process.

## PURPOSE AND FUNCTION OF CITATION SYSTEM

The ethics complaint process exists to provide due process to the parties, but it can be time-consuming and adversarial. The NVAR Board of Directors adopted a Citation System to allow for a more efficient resolution of eligible violations of the Code of Ethics and SentiLock Rules. Why are some violations eligible for citation when others are not? The National Association of Realtors® only allows for certain straightforward and uncomplicated violations of the Code of Ethics to be eligible for citation.

When used effectively, the Citation System allows the Respondent to acknowledge the behavior and pay the citation, in lieu of a hearing. Case closed! When an eligible complaint is filed, the Grievance Committee may vote to issue a citation. A Respondent is not required to participate in the Citation System and may request a hearing if a citation is issued. Ethics hearings are time consuming. A hearing may take months to be scheduled, and involve extensive documentation, witnesses and counsel. The Citation System also allows hearings before a Professional Standards hearing panel to be scheduled more quickly because there are fewer cases that require a hearing.

In response to feedback from NVAR members, the Citation System has been updated to acknowledge that mistakes do happen. For almost all first-time violations under the NVAR Citation System, Respondents can attend an educational session and reduce their citation by half. If unethical behavior is repeated, the citations will increase and education becomes mandatory.

The updated Citation System reflects NVAR's continued efforts to increase professionalism in the industry, streamline the ethics hearing process and protect the interests of consumers



QUESTIONS? Email:  
**ProServices@NVAR.com**

For More Information about the Citation System and NVAR's Dispute Resolution Processes, visit:  
**NVAR.com/Citation**

# CITATION SYSTEM

For Violations of the Code of Ethics and SentiLock® Rules



**NVAR.com/Citation**

# CITATION SCHEDULE

## Code of Ethics

Article 1	Citable Offense	1st Violation	2nd Violation	3rd Violation
SOP 1-5	Failure to disclose dual representation and obtain informed consent from both parties	\$500*	\$1,000**	\$3,000**
SOP 1-7	Failure to disclose written affirmation, as soon as practical, that an offer was presented, or that the seller/landlord waived the obligation to have the offer presented, upon written request of a cooperating broker submitting an offer	\$500*	\$1,000**	\$3,000**
SOP 1-12	Failure to advise sellers/landlords of information specified in SOP 1-12 prior to entering into a listing contract	\$500*	\$1,000**	\$3,000*
SOP 1-16	A listing broker accessing or using, or permitting or enabling others to access or use, a property listed or managed on terms other than those authorized by the owner or seller	\$1,000*	\$1,500	\$2,500

Article 3	Citable Offense	1st Violation	2nd Violation	3rd Violation
SOP 3-2	As a listing broker, attempting to unilaterally modify the offered compensation with respect to a cooperative transaction after a Realtor® has submitted an offer to purchase or lease that property	\$500*	\$1,000**	\$3,000**
SOP 3-4	Failure to disclose existence of a dual or variable rate commission	\$500*	\$1,000**	\$3,000**
SOP 3-6	Failure to disclose existence of other contracts to cooperating brokers	\$500*	\$1,000**	\$3,000*
SOP 3-8	Misrepresenting the availability of access to show or inspect a listed property	\$500*	\$1,000	\$3,000
SOP 3-9	A cooperating broker providing access to listed property on terms other than those established by the owner or the listing broker	\$1,000*	\$1,500**	\$2,500**

Article 4	Citable Offense	1st Violation	2nd Violation	3rd Violation
	Failure to disclose Realtor®'s interest in a property being bought or sold by the Realtor®	\$500*	\$1,000**	\$3,000**

Article 5	Citable Offense	1st Violation	2nd Violation	3rd Violation
	Providing professional services without disclosing Realtor®'s present interest in the property	\$500*	\$1,000**	\$3,000**

Article 6	Citable Offense	1st Violation	2nd Violation	3rd Violation
First Paragraph	Accepting any commission, rebate or profit on expenditures without client's knowledge or consent	\$500*	\$1,000**	\$3,000**
Second Paragraph	Failure to disclose to a client or customer financial benefits or fees the Realtor® or the Realtor®'s firm received as a direct result of recommending real estate products or services	\$500*	\$1,000**	\$3,000**
SOP 6-1	Failure to disclose Realtor®'s direct interest in an organization or business entity when recommending to a client or customer that they use the services of that organization or business entity	\$500*	\$1,000**	\$3,000**

Article 12	Citable Offense	1st Violation	2nd Violation	3rd Violation
	Failure to present a true picture in real estate communications and advertising	\$500*	\$1,000**	\$3,000**
	Failure to disclose status as a real estate professional in advertising or other real estate communications(A)	\$500*	\$1,000**	\$3,000**
SOP 12-1	Failure to provide all terms governing the availability of a "free" product or service in an advertisement or other representation	\$500*	\$1,000**	\$3,000**
SOP 12-4	Advertisement offering to sell/lease property without the authority of the owner or the listing broker(A)	\$1,000*	\$1,500**	\$2,500**
SOP 12-5	Failure to disclose name of firm in advertisement for listed property or for real estate services(A)	\$500*	\$1,000**	\$3,000**
SOP 12-6	Failing to disclose status as both owner/landlord and Realtor® or licensee when advertising property in which Realtor® has ownership interest(A)	\$500*	\$1,000**	\$3,000**
SOP 12-7	Claiming to have "sold" a property when not the listing broker or cooperating broker	\$1,000*	\$1,500**	\$2,500**
SOP 12-8	Failure to take corrective action when it becomes apparent that information on a Realtors® website is no longer current or accurate	\$500*	\$1,000**	\$3,000**
SOP 12-9	Failure to disclose firm name and state of licensure on Realtor®, Realtor® firm and/or Realtor® firm affiliated non-member licensee websites(A)	\$500*	\$1,000**	\$3,000**
SOP 12-10	Misleading consumers through deceptive framing, manipulating content, deceptively diverting internet traffic, presenting other's content without attribution or permission, or using misleading images	\$1,000*	\$1,500**	\$2,500**
SOP 12-12	Registering or using of deceptive URL or domain name	\$500*	\$1,000**	\$3,000**
SOP 12-13	Representing that the Realtor® has a designation, certification, or other credential they are not entitled to use(A)	\$500*	\$1,000**	\$3,000**

Article 14	Citable Offense	1st Violation	2nd Violation	3rd Violation
	Failure to cooperate in any professional standards proceeding.	\$1,000*	\$1,500**	\$2,500**

Article 16	Citable Offense	1st Violation	2nd Violation	3rd Violation
SOP 16-16	Use terms of an offer to modify listing broker's offer of compensation or conditioning submission of an offer on additional compensation from the listing broker.	\$1,000*	\$1,500**	\$2,500**
SOP 16-19	Placement of for sale sign/lease on property without permission of landlord/seller	\$500*	\$1,000**	\$3,000**

## Regional Rules and Regulations for Lockbox Systems

Section IV	Citable Offense	1st Violation	2nd Violation	3rd Violation
C	Shall remove Lockbox within 48 hours of settlement	\$500*	\$1,000**	\$3,000**
F	Shall keep Key in Holder's possession or in a safe place at all times	\$500*	\$1,000**	\$3,000**
G	Shall not allow Holder's PIN to be attached to Key	\$500*	\$1,000**	\$3,000**
H	Shall not disclose or provide PIN with to any third party	\$500*	\$1,000**	\$3,000**
I/J	Shall not assign, transfer, pledge, duplicate or lend Key to any third party	\$1,000*	\$1,500**	\$2,500**
K	Shall not duplicate, lend, or permit the property key to be used by any third party	\$1,000*	\$1,500**	\$2,500**
L	Shall not allow anyone who has been admitted to the property by Holder to remain in the property after Holder has left the property without consent of the property owner(s)	\$1,000*	\$1,500**	\$2,500**
M	Shall close and lock any windows or doors opened or unlocked by Holder or by anyone admitted by Holder prior to leaving the property	\$1,000*	\$1,500**	\$2,500**
N	Shall ensure that the property key is replaced in Lockbox and Lockbox is properly closed	\$1,000*	\$1,500**	\$2,500**
P	Shall not issue or use CBS Code to access property without written permission of property owner(s)	\$1,000*	\$1,500**	\$2,500**
Q	Shall only issue or distribute One Day Code to licensed agents, brokers, inspectors, contractors or the property owner(s) and with only written permission from the property owner(s)	\$1,000*	\$1,500**	\$2,500**

This Citation Schedule summarizes official rules and regulations found in the Code of Ethics and SentiLock Rules. Users should refer to the identified article/standard of practice in the Code of Ethics and/or section of the SentiLock Rules for a full understanding of the conduct subject to citation herein.

Please note that the Citation System is limited to these violations only.

\* Citation halved if Respondent elects to complete educational session

\*\* Citation owed, and Respondent is required to complete educational session

(A) Eligible for anonymous filing, provided that the only violations alleged in the complaint are those eligible for anonymous filings.