



NAREB CODE OF PROFESSIONAL RESPONSIBILITY

PART I

RELATIONS TO THE PUBLIC

1. Each member of the National Association of Real Estate Brokers, Incorporated accepts, is bound by, and shall fully adhere to the Code of Professional Responsibility.

2. A “Realtist” shall not discriminate against any person because of Race, Color, Religion, Sex, National Origin, Disability, Familial Status or Sexual Orientation:

- In the sale or rental of real property.
- In advertising the sale or rental of real property.
- In the financing of real property.
- In the provision of professional services.

A “Realtist” shall not establish, reinforce or extend any agreement or provision therein, that restricts or limits the use or occupancy of real property to any person or group of persons on the basis of race, color, religion, sex, national origin, disability, familial status or sexual orientation.

3. It is the duty of a “Realtist” to protect the public against misrepresentations, unethical practices or fraud in real estate transactions, and to offer all properties listed with him/her solely on merit and without exaggeration, concealment, deception or misleading information.

4. Before offering a property for sale or rent, a “Realtist” shall:

- (a) Secure written authorization of the owner of his/her authorized agent.
- (b) Furnish a copy of the authorization to each person who signed it.
- (c) Fully inform prospective purchaser of the pertinent facts concerning the

property.

5. A “Realtist” should always offer property at the price set forth in the listing agreement.

6. A “Realtist” shall protect the public against unethical, improper or fraudulent practices by affixing the term or symbol “Realtist”, to advertising matter, stationery, signboards, stock certificates, bonds, mortgages, and other instruments or other material used by or in connection with the real estate business of said member. The “Realtist” shall also educate the



general public to the importance of undertaking transactions only with those persons who have agreed to observe the highest standards of the profession, such as those practiced by the member Realtist of National Association of Real Estate Brokers, Incorporated.

7. A “Realtist” shall not engage in activities that constitute the unauthorized practice of law. He/she should advise that legal counsel be obtained, wherever the interest of any party to the transaction requires it.

8. The “Realtist” shall inform all parties to a transaction of his/her own position or pecuniary interest in the transaction and shall not demand or accept a commission from both parties except with their knowledge and consent in writing and signed by all parties.

9. The “Realtist” shall disclose to all parties any personal interest in the ownership of a property at the inception of the Realtist’s business dealings with the parties.

10. The “Realtist” shall see that all contracts and agreements for the ownership, use and/or occupancy of real properties shall be in writing and signed by all parties, or their lawfully authorized agent.

11. The “Realtist” shall maintain a special escrow account, in an appropriate financial institution, and deposit all monies, in the “Realtist” possession, that belonging to others related to transaction(s), which are held in trust. Said monies shall not be co-mingled with the “Realtist” own funds.

PART II

RELATION TO CLIENT

1. When a “Realtist” has accepted a listing on a property, the “Realtist” shall give an honest and comprehensive valuation of its fair market value to the owner.

2. In all real estate transactions, the “Realtist” shall always be fair to all parties to the transaction while promoting the interest of the client and maintaining the proper professional relationship.

3. The “Realtist” shall not buy property listed with the “Realtist” for sale, nor purchase an interest therein, without stating the facts to the client in writing, prior to such purchase.

4. The “Realtist”, when under contract in the management of property, shall not demand and receive commissions, rebates and/or profits on expenditures made on behalf of his/her client without that client’s prior written authority

5. The written exclusive listing of property should be encouraged by all “Realtist” as a means of preventing misunderstandings and assuring the best service to the owner, unless this is contrary to the best interest of the owner. The acceptance of such listing creates the obligation of giving skilled and conscientious service in the transactions. When a “Realtist” is unable to render



such service through office of the “Realtist” or with the aid of fellow “Realtist”, all parties concerned shall be informed of the pertinent facts, and the listing shall be cancelled and returned.

6. In all matters of appraisals, the “Realtist” should give a written opinion. The “Realtist” is therefore entitled to recover a fee for such service from the requesting party, as it is a matter of professional service. The opinion, whether on appraisal or real estate problem, shall be thoroughly considered and without any personal interest in the result of a possible sale or lease. Possible employment should not affect the amount of appraisal or honesty of opinion whose members are commonly referred to as Realtists.

PART III

PROFESSIONAL RELATIONS

1. The “Realtist” should always be loyal to the applicable local Board of Real Estate Brokers and active in its work. The fellowship of associates and the mutual sharing of experiences are always assets to all concerned.

2. The “Realtist” should so conduct business as to avoid controversies with his/her fellow “Realtist”, who are members of the same local Board of Real Estate Brokers. Any such controversies should be submitted in writing for arbitration in accordance with the regulations of the applicable Real Estate Board and not in an action at law. The decision in such arbitration should be accepted as final and binding.

3. Controversies between “Realtists” who are not members of the same local board should be submitted for arbitration to an Arbitration Board consisting of one arbitrator chosen by each Realtist from the Board of Real Estate Brokers to which he belongs and one other member, or a sufficient number of members to make an odd number, selected by the arbitrators thus chosen.

4. All employment arrangements between broker and salesmen should be reduced to writing and signed by both parties. It is particularly important to specify rights of parties, in the event of termination of employment. All listings acquired by a salesman during his/her tenure of employment with the Broker, shall be the exclusive property or right of the Employing Broker after such termination.

5. A “Realtist” should never publicly criticize a fellow “Realtist” professionally. The “Realtist” shall never express an opinion of a transaction unless expressly requested to do so by one of the principals. His/her opinion then should be rendered in accordance with strict professional courtesy and integrity.

6. A “Realtist” shall never seek information about a fellow “Realtist” transactions to use for the purpose of closing the transaction personally, or diverting the client to another property.

7. When a cooperating “Realtist” 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 cooperating “Realtist” from a different source, or until the owner, without solicitation, offers to list with the cooperating Realtist; furthermore, such a listing should not be passed on to a third Broker without the consent of the listing Broker.

8. Negotiations concerning property, which is listed with one Realtist exclusively, should be carried out with the listing Broker and not with the owner.

9. A “Realtist” shall not solicit the services of any employee in the organization of a fellow Realtist without the express written consent of the employer.

10. A “Realtist” shall not place a sign on any Property offering it for sale or rent without the written consent of the owner or his/her authorized agent.

11. All local boards or affiliates shall hear all complaints involved in their jurisdiction. Any adverse decision against a member whom the complaint was brought against may be appealed through the Regional Vice President to the Board of Directors of the National Association of Real Estate Brokers, Incorporated for final resolution pursuant to the provisions of the suspension and expulsion provisions of the by-laws of NAREB. All complaints against a member of NAREB, which have not been addressed at the local level by local board or affiliate organizations, may be submitted in writing to the Chairman of Board of Directors, subject to the NAREB Bylaws.

12. In the event that a “Realtist” is asked to present evidence in any charges of violation of this Code of Professional Conduct or other disciplinary investigation, he/she shall be accorded an opportunity to present all pertinent information.