

The Code of Ethics: Your Promise of Professionalism **Student Manual**



The REALTORS® Code of Ethics
Triennial Member Education Program
This is a certified 3 Hr. C.E. Credit Course

Meet Your Instructor

Bob Memoli

CRB, GRI, SFR, SRES

Broker-Realtor®



The Code of Ethics
Your Promise of Professionalism
The REALTOR® Code of Ethics
Triennial Member Education Program

Icebreaker Exercise

The instructor will tell you how to form groups. In your group, you should:

1. Introduce yourselves if you do not already know each other.
2. Select a spokesperson.
3. You will have received a copy of the REALTOR® Code of Ethics. Your group will be asked to summarize or "paraphrase" several Articles of the Code of Ethics and/or parts of the Preamble. Use the grid below to paraphrase the Articles you have been assigned. Your spokesperson will be asked to share your answers.

<i>Preamble or Article</i>	<i>Paraphrase or Summary</i>
Preamble	
Article 1	
Article 2	
Article 3	
Article 9	
Article 11	
Article 12	
Article 16	
Article 17	



Summaries and Case Studies of Selected Articles of the Code of Ethics **Breakout**



Listing Sales Associate's Refusal to Submit My Offer

Case Study 1

- * *Cooperating broker Fred is upset because the listing broker, Janet, refused to submit his offer without proof showing the buyer is prequalified to purchase the property because her seller did not want to see offers unless the buyer was prequalified. Standard of Practice 1-7 says, the listing sales associate shall present all offers and, therefore, he is required to submit my offer with or without proof the buyer is prequalified. Janet explained to Fred that her seller was adamant about not wanting to waste his time looking at offers from unqualified buyers and he wanted proof that the buyer was prequalified by a lender. Regardless, Fred felt Jane was in violation of Article 1, Standard of Practice 1-7.*
- * *Is this a possible violation of the Code of Ethics based on the face of the complaint?*
- * *Describe concepts established in Articles 1, 2, 12, and 17 and possible violations of them.*

Going to the Seller's Lender

Case Study 2

- * *There are several offers on a short sale property my buyer wants to purchase. My buyer is very anxious because there are a number of buyers competing for the same property. She feels by making a full-price cash offer, she should be the top contender for the property. She presented a full-price cash offer, on another short sale and a less attractive offer was accepted. This time she wants to make sure the lender sees her offer and wants me to go directly to the lender. I don't see this as a problem since I am not going directly to the listing broker's seller.*
- * *Is this a possible violation of the Code of Ethics based on the face of the complaint?*

Modifying the Offer of Compensation

Case Study 3

- * ***Broker Sally's buyer was very impressed with Sally's hard work in trying to negotiate a very difficult transaction and feels Sally should be compensated above what the listing broker offered in the MLS. The buyer asks Sally to include in the offer the buyer's request for the seller to compensate Sally an additional x% over what the listing broker offered in the MLS. The listing broker was furious and feels Broker Sally is trying to modify the offer of compensation which is clearly a violation of Article 16 Standard of Practice 16-16.***
- * ***Is this a possible violation of the Code of Ethics based on the face of the complaint?***
- * ***Describe concepts established in Articles 1, 2, 12, and 17 and possible violations of them.***

Disclaimers Accompanying Solicitations

Case Study 4

- * ***Realtor Fred exclusively works the Greenbrier subdivision and has a number of listings in that area. Fred was furious when Realtor George mailed out prospecting solicitations to all of the residents in the Greenbrier area. George knew this was Fred's area in the first place, but he is supposed to include a disclaimer that states, "if you are currently listed with another sales associate, please disregard." This is an obvious violation of the Code of Ethics.***
- * *Is this a possible violation of the Code of Ethics based on the face of the complaint?*

My Buyer Was Contacted by the Listing Sales Associate

Case Study 5

- * I have been working with my buyer, Eunice, for years and recently we started looking at properties because Eunice is ready to downsize. I told Eunice I would be out of town for a couple of days and would be back on Wednesday. On Tuesday, Eunice spotted an open house and the listing sales associate. Eunice advised the listing agent that she was working with another REALTOR®. The sales associate continued to work with Eunice and wrote the offer that was accepted. I feel it is unethical for the listing sales associate to continue to work with my buyer after my buyer told her she was working with me.*
- * Is this a possible violation of the Code of Ethics based on the face of the complaint?*

Changing the Offer of Compensation

Case Study 6

- * I started working on a listing and the offer of compensation was X% in the MLS. I submitted my offer and found out the offer of compensation had changed. The listing broker changed the offer before my offer was submitted. I didn't think it was necessary to check the MLS on a daily basis. It doesn't matter anyway; I should be paid what was offered in the MLS at the time negotiations began. I think this is a violation of the Code of Ethics.*
- * Is this a possible violation of the Code of Ethics based on the face of the complaint?*

The Elusive Listing Sales Associate

Case Study 7

- * I submitted an offer over two weeks ago and the listing sales associate has disappeared into thin air. He doesn't call me back, email me, nothing. I tried calling the broker and all I get is the run around from the mystery person who answers the telephone. My buyer thinks I'm inept because I can't find out what has happened to this offer. If I don't find out something soon, the buyer's going to walk. I can't contact the seller, or I'll be in violation of the Code. I think it's a violation of the Code that this broker and his sales associate won't communicate the status of my offer.***
- * Is this a possible violation of the Code of Ethics based on the face of the complaint?***

Frequent Flyer Ethics Quiz

Is this a violation of the Code of Ethics or not?

Case Study 8

- * *John, a new Realtor, is excited about setting up his new website. The challenge is to come up with a catchy URL that promotes that he is the “go-to real estate guy” in the Orange Blossom area. He decides on, “Orange Blossom MLS.com.” It covers his market area and will definitely attract attention which it did. A complaint has been filed citing Standard of Practice 12-10.*
- * *Do you think John should be in violation of the Code?*

Is this a violation of the Code of Ethics or not?

Case Study 9

- * ***Sandy Keeps a close eye on the listings in the MLS especially the ones that have been temporarily withdrawn from the market. The minute she sees one of these, she calls the seller to solicit the listing. She was flabbergasted when she received a letter from the Grievance Committee asking her to respond to an ethics complaint filed against her citing Article 16.***
- * *Is Sandy in violation of the Code of Ethics?*

Is this a violation of the Code of Ethics or not?

Case Study 10

- * ***Realtor Tom, a broker, is named as a respondent in an arbitration request. He refused to respond to the request for arbitration or participate in the hearing. The complainant, Realtor Sue, files a complaint naming Article 17.***
- * *Is this a violation?*

Is this a violation of the Code of Ethics or not?

Case Study 11

- * ***Realtor Liz's husband wants to sell his commercial property located in a popular downtown area. After the property was listed, it sold in no time. Realtor Jenny who sold the listing found out through a mutual friend that Liz's husband owned the property and never disclosed this to her buyer.***
- * *Jenny files a complaint against Liz, is this a possible violation of Article 4?*

Is this a violation of the Code of Ethics or not?

Case Study 12

- * ***Fran loves to write her blog about real estate in her area. The blog has generated good leads for her. After the county tax assessments were mailed out, Fran thought it would be a great time to talk about the property values in her area. She published a “recently sold” list and included the disclosure required by the MLS that clearly states the comp information came from the MLS data and the period of time when the transactions had closed. Realtor Tommy was upset because one of the listings she discussed in her blog was his. He filed an ethics complaint claiming she violated Article 12. Fran couldn’t believe it wasn’t an advertisement, it just was a blog on real estate news.***
- * ***Could Fran be in violation of the Code?***

Is this a violation of the Code of Ethics or not?

Case Study 13

- * ***Kathy was thrilled with her very first sale of Realtor Andy's listing that she sent out postcards to the neighborhood before the property closed. Another agent in Kathy's office was mortified by this newbie's gall to advertise prematurely, what if the deal falls through, then, what? To teach Kathy a lesson, her fellow agent filed a complaint citing Article 12***
- * *Is this a possible violation?*

Twenty Things How to Be Successful

- Don't Make Excuses, Make it Happen
- Keep Going, Keep Growing
- We Are Family
- Early is on Time
- Don't Think Outside the Box, Act Like there is No Box
- If You Are Not Over Communicating, You Are Under Communicating
- Care About Your Work, About Your Customers and About One Another
- People and Time Are Our Best Assets, Don't Waste Either
- Entertain, Educate, Execute and Empower
- The Spirit of Excellence in Everything You Do
- Be Honest, Be Kind and Be Your Best
- Create the Energy it Takes to Go the Next Level
- Every Leader is Measured by How Many Leaders They Create
- Just Because You Can, Does Not Mean You Should
- It is Not Necessary, Unless it is Necessary
- Do Not Put Off Until Tomorrow What You Can Do Today
- You Attract What You Are
- It is All About Impact
- Dominate Daily
- Keep Going