



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

REALTOR[®] Code of Ethics

Conversion Using the Code



This presentation constitutes and contains information which is the confidential and proprietary trade secrets of the National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022.

Duplication, Display, Dissemination of any of this information is prohibited by State and Federal Law.

Ask your questions live at:

www.facebook.com/NationalCodeofEthicsDay



Thank you to our Ethics Panel of Advisors:

Amanda Creel
Jill Christy
Shelly Duncan
Kaéra Mims
Karen Randolph
Carol Seal
Stephanie White



Hashtag your posts:



#NationalEthicsDay



About the numbers:

To track your virtual participation,
some Associations may have asked
you to record the 9-number sequence.

The 9 numbers are placed in
yellow boxes at the bottom left of the screen
throughout this presentation.



###

REALTORS[®] RELIEF FOUNDATION

\$36
Million
Awarded

38
States/Territories
Assisted

100
Disaster
Recoveries Funded

18,000+
Families
Helped

Visit nar.realtor/RRF to donate today!

Course Description

Understanding the Code of Ethics and its requirements makes us better REALTORS®. This course will walk REALTORS® through the articles of the Code with emphasis on the most misunderstood and/or are most violated. Bringing the very best presentation to our buyer and seller clients is our number one goal and following the Code can help you do that. This course provides REALTORS® with a reliable reference for guidance in dealing with complex situations in today's day to day practice of real estate. Students will learn how the Code of Ethics compares with the concept of general business ethics.



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

The Code of Ethics

Our Promise of Professionalism

National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Code History

- Before 1900 – Real estate practitioners were not licensed resulting in speculation, exploitation, and disorder
 - *Caveat emptor* governed transactions
- 1908 – NAR was formed
- 1913 – The Code of Ethics was officially adopted
 - The standards focused on service to the public and a commitment to professionalism
 - "Duties to Clients" and "Duties to other brokers" was included

REALTORS® Share One Common Characteristic

- Regardless of real estate business specialty (such as appraisal, property management, etc.), **ALL REALTORS®** are bound by the Code of Ethics.



THE GOLDEN RULE

Do unto others
as you would have
them do unto you.

#alwaysreppingtheR

CODE OF ETHICS




Structure of the Code of Ethics

Three Sections:

- Duties to Clients and Customers
- Duties to the Public
- Duties to Other REALTORS®

www.nar.realtor/about-nar/governing-documents/the-code-of-ethics



A photograph of a sunlit forest with tall trees and green foliage. A dark, semi-transparent rectangular overlay is centered on the image, containing the title and other text.

UNDER ALL IS THE LAND

#alwaysreppingtheR

CODE OF ETHICS





NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 17

Arbitration

National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Arbitrate contractual and
specific non-contractual
disputes with other
REALTORS® and with
your clients.

Case Study 17-7

- REALTOR®A filed a request for arbitration with REALTOR®B in a dispute over cooperative commission. The Grievance Committee referred it to an arbitration hearing panel.
- Shortly after, REALTOR®B was notified that REALTOR®A had filed a complaint with the state Real Estate Commission.
- REALTOR®B then filed an ethics complaint for filing a complaint with the REC while the same issue was being handled by the association.

Case or No Case?

NO CASE



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 16

Check For the Ring.

Respect the exclusive
representation or exclusive
brokerage relationship
agreements that other
REALTORS® have with
their clients.

Case Study 16-7

- Client X listed her house with REALTOR®A under a 90 day exclusive listing. Client X was disappointed with no results and told REALTOR®A that she may seek another agency upon expiration.
- Client X expressed dissatisfaction to her friend, who suggested REALTOR®B.
- REALTOR®B contacted REALTOR®A to inquire about nature and status of the listing. REALTOR®A responded that the listing was his and refused to discuss further.
- REALTOR®B contacted Client X and offered to discuss listing upon termination of the listing. REALTOR®B then listed the property after it expired.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 16-9

- REALTOR®A designed an advertising campaign for newspaper and billboards around the city stating: 'Attention: All homeowners whose properties are for sale. Do you want results? If so, call REALTOR®A. He has a new marketing program that gets results.'
- REALTOR®A received a number of calls from homeowners currently listed with other REALTORS®. Those REALTORS® filed complaints for failing to respect exclusive agency.
- REALTOR®A defended his campaign by saying it was mass media and not directed at any particular owner and was not an attempt to induce owners to breach existing listings.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 16-22

- REALTOR®A met Buyer C at an open house for her listing. Buyer C was not interested in the house, but REALTOR®A suggested her upcoming listing as a possibility.
- REALTOR®A offered to show the unlisted house to Buyer C, who preferred to have her own agent show it to her. REALTOR®A said that it would be sold prior to MLS and that Buyer C would miss out on the house. Buyer C then wrote an offer and closed on the house.
- REALTOR®B filed a complaint of interference with agency relationship.
- REALTOR®A's defense was that she did not know the agency agreement was exclusive.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 15

If You Don't Have Something Nice To Say...

National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Ensure that your comments
about other real estate
professionals are truthful
and not misleading.

Case Study 15-2

- REALTOR®Z and Homeowner X were chatting on the golf course and Homeowner X asked REALTOR®Z to list his home. REALTOR®Z said 'no, I only represent buyers.'
- Homeowner X asked about REALTOR®A. REALTOR®Z said that REALTOR®A did not cooperate with other brokers and would not get a strong offer.
- Homeowner X's wife talked to REALTOR®A's wife and shared the comments.
- REALTOR®A filed a complaint of false and misleading statements.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 14

Go To Time-Out.

Be a willing participant
in Code enforcement
procedures.

Code Enforcement

- Every association is responsible for enforcing the Code.
- This includes providing mediation and conducting ethics and arbitration hearings.
- Only REALTORS® and REALTOR-ASSOCIATES® are subject to the Code.
- An association where someone holds membership **or** gains MLS access has jurisdiction to process ethics complaints and arbitration requests filed against that individual.
- Associations do **not** determine violations of law and regulation.

Case Study 14-2

- REALTOR®A was charged with a violation of the Code.
- Complainants formally presented charges and REALTOR®A was questioned.
- REALTOR®A pled the Fifth Amendment.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 13

You're Not An Attorney (Unless You Are).

Do not engage in the
unauthorized practice of law.

Case Study 13-1

- Client A was headed to China on business and wanted REALTOR®B to prepare a power of attorney for his wife while he was gone, 'just in case.'
- A member of the Grievance Committee at the local REALTOR® Association found out and filed a complaint with the Pro Standards Committee.
- REALTOR®B said he knew the POA was essentially for real estate and his preparation was rendering real estate-not legal-services.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 13-3

- REALTOR®A, agent for Client B, received an offer on a 25 acre property from Customer C. Client B countered above asking price to Customer C.
- Customer C became upset and indicated intent to call an attorney to force Client B to sell at the listing price. REALTOR®A advised Customer C that litigation could be lengthy and expensive, and the sale could not be enforced. Customer C moved forward at the higher price.
- Customer C filed a complaint that REALTOR®A provided bad advice with his persuasive personality and therefore he did not consult an attorney.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 12

How Old IS That Picture?

National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Present a true picture
in your advertising and other
public representations.

Standard of Practice 12-11

REALTORS® must not represent that their brokerage services to a client or customer are free or available at no cost to their clients, unless the REALTOR® will receive no financial compensation from any source for those services. (*Amended 1/22*)

Case Study 12-11

- REALTOR®A purchased a banner ad on his local newspaper's website and included photos of homes he had sold as cooperating agent..
- Three complaints were filed that the claim of 'sold' was false and misleading since none of the properties had been listed by REALTOR®A.
- REALTOR®A responded that while the properties had been listed with other brokers, he had been the 'selling' broker and was entitled to advertise his role.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 12-19

- REALTOR®A was looking for investment properties while on vacation, and found a dilapidated 'for sale' sign on a lot. He looked online to find the lot and discovered it on REALTOR®Z's website.
- REALTOR®Z said the listing had expired when REALTOR®A called for info.
- REALTOR®A sought out REALTOR®X hoping to find info, and found that REALTOR®X was now the exclusive listing agent.
- REALTOR®A filed a complaint of not presenting a true picture and of advertising without authority.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 11

Learn and Ask Before You Proclaim.

Be knowledgeable and competent in the fields of practice in which you ordinarily engage. Obtain assistance or disclose lack of experience if necessary.

Case Study 11-2

- REALTOR® A was asked by Client B to appraise a large residential home.
- REALTOR® A reached out to other REALTORS® in the area for information concerning values in the area.
- REALTOR® C filed a complaint that REALTOR® A had failed to acknowledge this assistance in his report.
- REALTOR® A protested that he frequently made general requests to others and did not consider it to constitute formal assistance.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 11-4

- REALTOR®A was asked by Client B to appraise an office building.
- REALTOR®A disclosed that he had never appraised an office building.
- Client B stated that they had confidence in REALTOR®A and notwithstanding the lack of experience, wanted his appraisal.
- REALTOR®C complained that REALTOR®A had violated COE by taking the appraisal outside of expertise.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



STAY IN YOUR LANE

#alwaysreppingtheR

CODE OF ETHICS





NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 10

What You Do For One, You Do For All.

National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

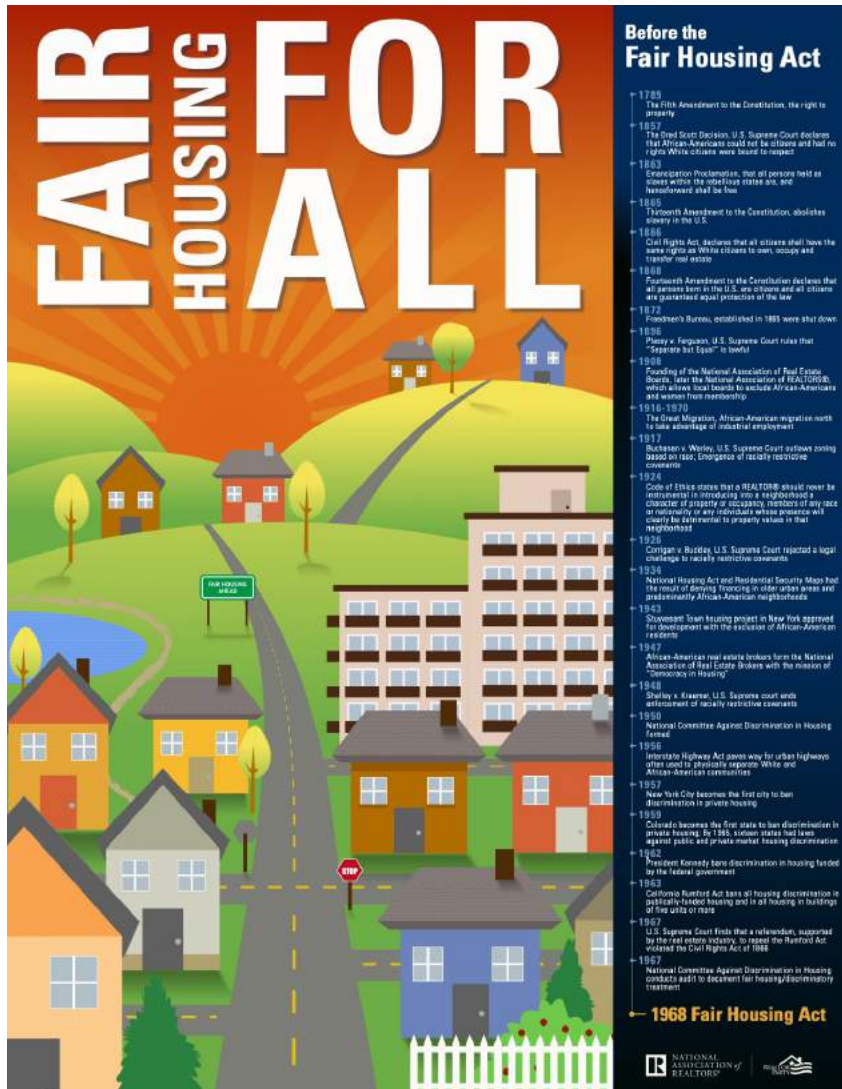
52 ACRE HORSE RANCH! 4600 SF 4/2/2 home w/ dream kitchen & 2 living areas, fantastic 7 stall barn, Lake & 2 ponds. @ \$500,000



T439388

QUALIFIES FOR 100% USDA FINANCING!

NEW FAMILY WANTED! 4/2/2 in wonderful neighborhood just south of Flint, huge Family room, extra large kitchen, 1900+ SF! Just listed!



History

- **1789:** Private Property Rights
- **1866:** The Civil Rights Act of 1866
- **1917:** Racial Zoning Outlawed
- **1948:** Restrictive Deed Covenants Not Enforceable
- **1968:** Fair Housing Act
- **1975:** Voluntary Affirmative Marketing Agreement

<https://www.nar.realtor/fair-housing-act/fair-housing-makes-us-stronger-commemorating-50-years-of-the-fair-housing-act/fair-housing-and-property-rights-a-history>



F-R-E-S-H C-O-R-N

Equal Oppportunity in Housing

- | | |
|--------------------------|-----------------------------|
| F Familial Status | C Color |
| R Race | <u>O</u> Opportunity |
| <u>E</u> Equal | R Religion |
| S Sex | N Nationality |
| H Handicap Status | |

#alwaysreppingtheR

CODE OF ETHICS





REALTORS® are members of the National Association of REALTORS®

**UNFAIR HOUSING?
NOT IN OUR HOUSE.**

THAT'S WHO WE



**NATIONAL
ASSOCIATION OF
REALTORS®**

**Provide equal service to all
clients and customers.**

National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 10-3

- REALTOR®A was contacted by Prospect C, a female head of household, who wanted to buy a home in the \$240,000-\$270,000 range with 3 bedrooms and near schools and playgrounds. REALTOR®A proceeded to show Prospect C a number of homes but they were not of interest to her.
- After expressing no interest in the houses presented, Prospect C filed a complaint that REALTOR A had failed to provide equal professional service because she was a woman.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 10-2

- REALTOR®B began working with Prospect C, a married veteran with 2 kids who was moving into the city for a new teaching job at the high school
- REALTOR®B showed Prospect C houses in neighborhoods near the school.
- Prospect C met Prospect D at a faculty meeting, Prospect D also moving to the city for a new teaching positions, also a married veteran with 2 kids.
- Prospect C gave REALTOR®B's name to Prospect D as being knowledgeable about the market and VA financing.
- REALTOR®B showed houses to Prospect D in the same price range, but different neighborhoods. Prospect D asked about closer houses but REALTOR®B said he had no knowledge of additional homes for which Prospect D could qualify. Prospect D was black.
- Prospect D and Prospect C compared houses they had seen, and upon that knowledge Prospect D filed a complaint of discrimination.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 10-4

- REALTOR®A listed a property in a new subdivision. Seller X requested no MLS listing, no 'For Sale' sign, and no online advertising. Seller X told REALTOR®A that he wanted the sale handled 'quietly', with new purchasers being people who would 'fit into the neighborhood.'
- REALTOR®A did a mailing to the neighborhood, inviting them to 'play a part in the decision of who your next neighbor will be.'
- REALTOR®B filed a complaint after seeing the marketing letter which had been sent to his mother, a new resident of the subdivision.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



WE WANT ALL BUYERS TO KNOW ABOUT YOUR HOME

#alwaysreppingtheR

CODE OF ETHICS



Case Study 10-6

- In social media discussions, REALTOR®A made the following comments: “I think Black people bring out the worst in us”; “we always knew n----- were violent. They are not Christian”; and described Black protestors as “animals trying to reclaim their territory”.
- A consumer took screenshots of the comments, including REALTOR®A’s name, and filed a complaint.
- REALTOR®A confirmed she had, in fact, posted the statements, but denied that making the statements interfered in her ability to provide equal professional services to anyone because of their race.

Guilty or Not Guilty?

GUILTY



Case Study 10-7

- REALTOR®A was a registered member of Political Party Y, and routinely engaged in political discussions on social media and in private conversations. REALTOR®A's conversations and social media posts often included insulting, intimidating, and hostile statements about members of Political Party Z, including aggressively insulting their intelligence, implying they were unpatriotic, and telling them that if they disagreed, they should leave the country.
- REALTOR®B witnessed numerous instances where REALTOR®A harassed others on the basis of their membership in Political Party Z and believed that REALTOR®A was using harassing speech. He filed an ethics complaint with the local Association of REALTORS®

• ***Guilty or Not Guilty?***

NOT
GUILTY



Case Study 10-9

- REALTOR® A was a preacher in his local church, and stated before a group of congregants, “Lesbians and Homosexuals are murderers according to the scriptures.”
- One of the congregants filed an ethics complaint that REALTOR® A’s statement
- REALTOR® A testified that his statement was based on his interpretation of the Biblical scripture, and that his teachings were designed to help his congregants understand the true teachings of God.

Guilty or Not Guilty?

GUILTY



Case Study 10-10

- REALTOR® A leads a weekly Bible study group in the evenings. During one such study group, REALTOR® A led the group in a discussion of Biblical passages concerning homosexuality, referencing several differing interpretations of said passages. At one point during the discussion, REALTOR® A stated, “Some have said these verses clearly prohibit and condemn same-sex relationships.” An attendee of the group found this to be inappropriate and filed an ethics complaint.
- REALTOR® A confirmed that the complainant had quoted him correctly but argued that he presents all sides of Biblical interpretation for historical context, and that he is careful to leave any personal opinions out of the study group, as evidenced by his use of “some have said.”

Guilty or Not Guilty?

NOT
GUILTY



Case Study 10-11 (*NEW!*)

- When searching real estate listings on a brokerage website, a potential homebuyer noticed a listing with the Confederate flag prominently displayed in the property photos.
- At the hearing, the complainant testified that she felt threatened by the display of the Confederate flag and took it to mean that she would not be welcome in the home or the neighborhood if she were to make an offer on the property.
- The listing broker testified that he should not be held responsible for what is displayed in a client's home and could not offer an explanation for his client's motives in displaying the Confederate flag.

Guilty or Not Guilty?

GUILTY



Does Fair Housing Stop at Protected Classes?

Expanded definition of the public trust:

- The "public trust", as used in this context, refers to demonstrated misappropriation of client or customer funds or property, ~~willful~~ discrimination against the protected classes under the Code of Ethics, or fraud ~~resulting in substantial economic harm~~.
- Expanded definition includes all discrimination against the protected classes under Article 10 and all fraud.



SOCIOECONOMIC STATUS

National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



EDUCATION LEVEL



Buyer Love Letters

Dear Seller,
I absolutely love your property.
I am an unspecified human & my personal
details are not really germane to
this transaction. However, I felt a personal
correspondance might influence you to
accept my offer instead of other offers.

Sincerely,
Buyer

CREDIT: <https://paulwozniak.com/2019/11/are-real-estate-love-letters-in-colorado-going-away/>

04.29.13

DEAR MS. [REDACTED],

THIS AFTERNOON WE HAD THE PRIVILEGE OF VISITING YOUR LOVELY HOME. AFTER ENJOYING THE SWING UNDER THE GAZEBO, STANDING IN THE SPACIOUS KITCHEN AND WALKING BAREFOOT THROUGH THE TRANQUIL BACKYARD, WE ENVISION MANY WONDERFUL MEMORIES BEING MADE WITH OUR FAMILY. WE LOOK FORWARD TO THE OPPORTUNITY TO WORK WITH YOU.

KIND REGARDS, [REDACTED], [REDACTED] & [REDACTED]

Mr. and Mrs. [REDACTED]



Dear [REDACTED] Family,

Hello there! Along with our offer on your home, we'd like to introduce ourselves!

- father/software engineer/photographer
- mother/marketing director/yogi
- 10 year-old comic book enthusiast
- 7 year-old soccer player

We wanted to take the time to personally extend our deepest interest in buying your beautiful home. The moment we saw it, we fell in love with the opportunity to own our dream house in such an amazing location.

We love what you've done with the drought-friendly plants in the front yard and having a wide variety of fruit trees has always been a goal of ours. We can already see ourselves lounging in the backyard with our kids, entertaining family and friends in the living room, and after a long day at work taking evening walks to the nearby park.

We're sure you've made many memories in this home and it is going to be tough selling to just anyone, so we thought you'd like to know a little about us. We are an active family of four who would love to call your house a home and make some memories of our own. We are involved year round in youth soccer and little league for our children, Mason and Maya, and in our downtime, we love going to the beach, hiking and spending time with family.

We know that if you accept our offer, we promise to show your home the same love and care your family has. This is the first home we've seen in our search where we really feel as though it was meant for us.

Thank you for considering our offer. We eagerly and respectfully look forward to hearing your response.

[Signature]

The [REDACTED] Family



Dear [REDACTED]

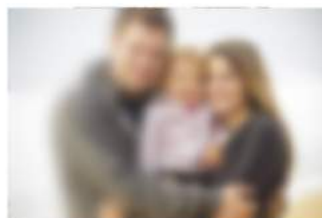
Thank you for the opportunity to make an offer on your beautiful home. My clients fell in love with the layout, the condition, and the location of the property. My buyers, [REDACTED] have a young son named [REDACTED] who just turned four months old. They are delighted that Middleton has an open floor which will give plenty of room for Joshua to run around in once he learns how to walk. Trevor and Sally are also excited that your home has a spacious backyard. They plan on buying a German shepherd puppy once they move out of their rental.

[REDACTED] currently works for ACME Building & Design. He was part of the team that constructed Central California's first Passive House in ACME -By-The-Sea. The project was named, "Best New Home" in Great Homebuilding magazine. [REDACTED] currently works at ACME South Middle School and is a special education teacher. She loves creating an impact in her student's lives and the feeling of fulfillment that her career gives her every day.

When [REDACTED] are not at work, they love to go hiking in Big Sur, watch the Red Sox play or stay home and cook fine meals. [REDACTED] is an excellent cook and enjoys cooking authentic Italian dishes like chicken tetrazzini. [REDACTED] also loves that Middleton is only a short drive to downtown Monterey because every Tuesdays he can get the freshest ingredients from the local farmers market. [REDACTED] was very excited too when he saw that the kitchen is close to the living room, this way he can spend time with his family while he cooks.

My clients are in love with Middleton. They feel it is the perfect home to raise their new family in. Your home is the right size, has a great layout and is only a short distance from the farmers market. My clients are prepared to make an above asking price offer of \$385,000 with 5% down. If the house does not appraise, they are willing to cover the difference between the appraisal and the offer up to \$7,000. Thank you for your time and consideration, we greatly appreciate the chance to write an offer on your beautiful home.

[REDACTED]



August 13, 2019

[REDACTED]

Dear Miss [REDACTED],

We have been searching for the right home for over 6 months now, with much trial and error, but our mistakes have proven to be a blessing, because now we consider ourselves "expert buyers" and know exactly what we want without any questions or doubts.

We love the large backyard that your home has to offer, and we find that it will be a perfect fit for our active kids, our son, [REDACTED], and our daughter, [REDACTED]. [REDACTED] fell in love with the backyard as soon as he found the pomegranate tree, his favorite fruit! And [REDACTED] couldn't stop running around in the grass! This will be the perfect home for our growing family, especially since we are expecting our third child in just a few more months.

[REDACTED] and I both have stable jobs. [REDACTED] works in law enforcement, and I am a teacher working with young children. We have been saving up our pennies for years now so that we could finally purchase our first home, and now with our new loved one expected, the timing couldn't have worked out better.

We thank you for your time and consideration, and hope for the opportunity to work with you. ☺

Sincerely,

[REDACTED]



Promote Fair Housing – Seller Side

- Educate clients about Federal Fair Housing laws – and the potential pitfalls of buyer love letters.

**Secure seller permission to strip such letters from all offers*

- State in the MLS listing that no buyer love letters will be accepted.
- Remind sellers that a decision to accept or reject an offer should be based on objective criteria only.
- Document all offers received and the seller's objective reason for accepting an offer.



ADD THE FOLLOWING VERBIAGE TO MLS AGENT REMARKS:

**Buyer letters to Sellers NOT accepted
and will not be presented with any offer.
Please do NOT include.**



Promote Fair Housing – Buyer Side

- If a buyer client insists on drafting a love letter, don't help them write it and encourage them to keep all protected classes out of the wording.

*Find alternates, such as a lender love letter or a buyer agent letter..





ONE COMMUNITY REAL ESTATE®
24 CABARRUS AVENUE EAST, CONCORD, NC 28025
704-507-5500
LEIGH@LEIGHBROWN.COM

Hi {Name}!

Hope you are well and that your 2021 is off to a positive start.
Please find attached:

- * Offer to purchase and contract for your listing at {XXXX Property}
- * Pre-approval letter from {Name}, with his cell phone included for any questions
- * Fully executed disclosures

I don't envy the situation you and your sellers are in, trying to select the best offer! I wanted to share with you one thing that could make a difference during the process. My closing manager, {Name}, and I are committed to the following during the next few weeks:

- * Full communication, good new or bad!
- * Transparency with situations that we may encounter
- * Ability to assist when YOU are busy, with DocuSign or anything at all!
- * Dedication to meeting deadlines and getting across the lines early whenever possible.


Please reach out if there is anything at all you may need in this process and I look forward to a positive response!

Best,

Leigh

Intake

Same questions.
EVERY time.



SELLER INTAKE SHEET

Date: _____ Lead Generator: _____

Assigned to: _____ Status: A B C Diamond _____

Referral Fee? Y / N To Whom?: _____ %: _____ Phone: _____

Prospect: _____ DecisionMaker #2: _____

Address: _____

City: _____ State: _____ Zip: _____

How do you prefer to be contacted?: Call / Text / Email Preferred number to text to: _____

Home Phone: _____ Work: _____

Cell Phone: _____ DecisionMaker #2 Cell: _____

Email (What email do you check?): _____

Is the property address the same as your mailing address? Y / N

If NO, _____

How long have you owned your home? _____ Why are you selling? _____

Moving to? _____ When do you need to be there? _____

Need Agent? Y / N Provided contact info for: _____

Bedrooms: _____ # Baths: _____ Age: _____ Style: _____

Subdivision: _____ Garage: _____

Square feet: _____ Lot size: _____ Septic: Y / N

Special features: _____

Updates last few years? Y / N If YES, what? _____

Rate your house 1-10 _____ What would be an acceptable selling price to you? _____

What do you owe? (1st) _____ (2nd) _____

What kind of loan did you use when you purchased this property? _____ Conventional

*Have you refinanced since you purchased? Y / N If YES, request copy of _____

How did you hear about us? _____

What are three things you are looking for in a Realtor®?

1) _____ 2) _____ 3) _____

Have you or are you going to talk with any other agents? Y / N


Would you prefer to visit at your home or via Zoom? Home / Zoom Date/Time: _____

ALTOS: _____ LISTING LEADS: _____ KVCORE: _____ NARRPR: _____

Post visit: Phone call _____ Personal Note _____ 2 week check up call _____

APPT: _____ HANDBOOK EMAIL: _____ DOCUSIGN: _____ RPD: _____

© 2022 Leigh Thomas Brown, Inc. All Rights Reserved. Used with permission. | June 22 update



BUYER INTAKE SHEET

Date: _____ Lead Generator: _____

Assigned to: _____ Status: A B C Diamond: Y / N Upgrd if needed _____

Referral Fee? Y / N To Whom?: _____ %: _____ Phone: _____

Prospect: _____ DecisionMaker #2: _____

Address: _____

City: _____ State: _____ Zip: _____

How do you prefer to be contacted?: Call / Text / Email Preferred number to text to: _____

Home Phone: _____ Work: _____

Cell Phone: _____ DecisionMaker #2 Cell: _____

Email (What email do you check?): _____

Own? Y / N Rent? Y / N Lease up: _____ Rent amount: \$ _____

If own... Is house on market? Y / N Have to sell first? Y / N

Working with an agent? Y / N How long looking? _____

Motivation level: 1 2 3 4 5

Best time to look: ☐ AM ☐ Afternoon ☐ PM ☐ Weekend

Price range: _____ When to move? _____

Desired areas: _____

Bedroom(s) _____ # Bath(s) _____ Garage? Y / N _____

Special requests: _____

INITIAL CONSULTATION Date: _____ Time: _____ Agent: _____

Will you be paying cash, or will you need to obtain financing? _____

Are you interested in down payment assistance programs? Y / N

Lender? Y / N If YES, company: _____

Contact: _____ Phone: _____

Approved amount? _____ Type: _____

If no, may we have a preferred lender call? Y / N Referred to: _____

ACTION: Send Buyer Book? Y / N Relo Package? Y / N DATE NEEDED: _____

COMPLETED BY: _____

© 2022 Leigh Thomas Brown, Inc. All Rights Reserved. Used with permission. | June 22 update



Welcome to FAIRHAVEN

Use your fair housing knowledge to
navigate challenging real estate scenarios
in Fairhaven.*

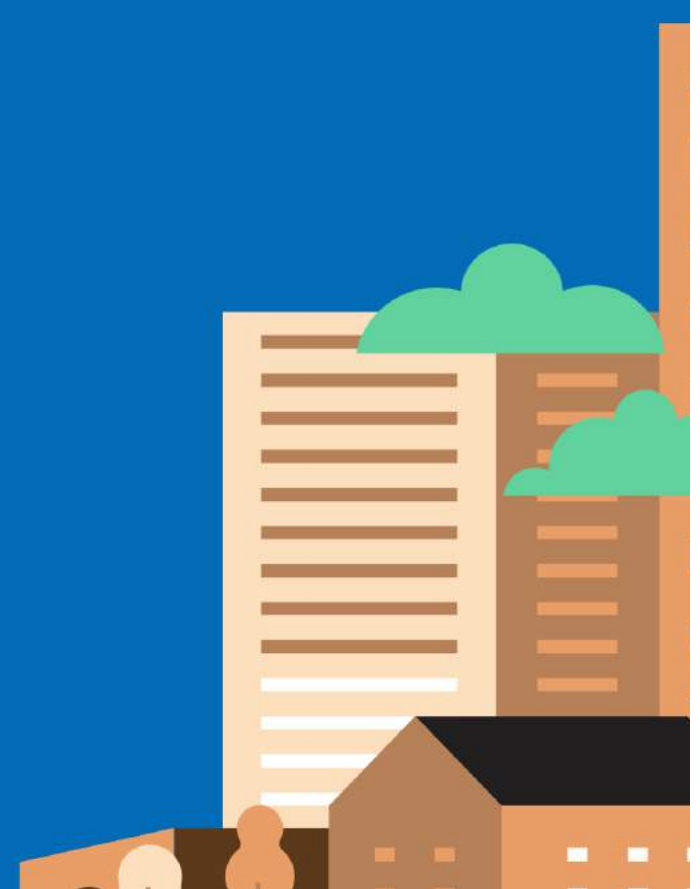
Launch



TIME TO COMPLETE
60-100 minutes

*Fairhaven is a fictional town and does not represent or simulate a specific neighborhood, town, organization, or place. Any similarity to an actual place is purely coincidental.

Need help or have a question? Reach out to fairhaven@nar.realtor





www.nar.realtor/thats-who-we-r/fair-housing-assets



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 9

If It Ain't In Writing...

National Association of REALTORS[®] (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Assure, whenever possible,
that transactional details
are in writing.



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 8

No Money Under The Mattress.

Keep the funds of clients and
customers in escrow.

Case Study 8-2

- REALTOR®A as listing broker for Seller B sold a house to Buyer C, who made a substantial deposit subject to mortgage approval.
- REALTOR®A assisted Buyer C in lender recommendations, and Buyer C received mortgage commitment. However, shortly after, Buyer C changed his mind and agreed to forfeit deposit.
- REALTOR®A promised to send Seller B a portion of the forfeited deposit as specified in the listing agreement. Seller B did not receive the funds and filed a complaint.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 7

Who's Paying Whom?

Accept compensation
from only one party, except
with full disclosure and
informed consent.

Case Study 7-1

- Buyer A engaged REALTOR®B to find a property meeting his specs.
- REALTOR®B listed Seller C's property, which met Buyer A's needs except for price.
- Seller C agreed to sell to Buyer A and REALTOR®B collected a buyer fee and seller fee.
- Seller C learned after closing that REALTOR®B was paid by the buyer and that he had convinced him to take a lower price.
- REALTOR®B said he had accepted Buyer A as client before Seller C and the price was fair.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 6

Side-dealing?

Avoid side deals without your
client's informed consent.

Case Study 6-1

- REALTOR®A managed Owner B's office building.
- REALTOR®A as property manager bought janitorial supplies at wholesale and billed them to Owner B at retail on his statements.
- REALTOR®A defended the practice as being billed at the prices Owner B was paying prior to REALTOR®A as PM.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 5

Tell 'Em How You Feel.

Disclose present or
contemplated interest in any
property to all parties.

Case Study 5-1

- Buyer and Seller negotiating an apartment building and could not agree on price.
- Each engaged separate REALTORS® for valuation and agreed to move forward at the average.
- Post-closing, seller learned that buyer's REALTOR® was engaged as property manager on the subject property and also managed other properties for same buyer.
- Seller accused buyer's REALTOR® of establishing lower value than market to benefit buyer and the management relationship.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022





NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 4

Secret Secrets Are No Fun.

When buying or selling,
make your position
in the transaction or
interest known.

Case Study 4-3

- REALTOR®A listed Client B's house.
- REALTOR®A advised Client B to accept an offer from Buyer C at less than listed price.
- Client B later filed a complaint against REALTOR®A for failure to disclose that Buyer C was REALTOR®A's father-in-law.
- REALTOR®A defended his actions by stating that a father-in-law is not a member of the immediate family, and that two other offers which had been presented were both lower than Buyer C's offer.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 4-4

- REALTOR®B, a sales associate in REALTOR®A's office, listed a house and subsequently convinced the seller to accept \$60,000 below list price.
- After closing, the seller filed a complaint, charging REALTOR®B with a violation for selling the property to his mother with disclosure. REALTOR®A, as broker, was named as an additional respondent.
- REALTOR®B said he did nothing wrong and the seller would have accepted that price for any buyer. REALTOR®A stated that REALTOR®B is a 1099 who had completed firm training on COE and professionalism.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

NOT
GUILTY





NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 3

Can't We All Get Along?

Cooperate with other
real estate professionals
to advance your client's
best interests.

Case Study 3-4

- Client H listed a small commercial property at a low price with REALTOR®J, with the stipulation that his list of prospective buyers be called first.
- Upon listing, REALTOR®F, who unsuccessfully interviewed for the listing, called REALTOR®J and asked to be acknowledged as cooperating broker. REALTOR®J told REALTOR®F that a buyer was considering and cooperation was not being invited.
- REALTOR®F complained to the Association, charging a failure to cooperate.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 3-8

- REALTOR®A submitted an offer on REALTOR®B's listing at full price with mortgage contingency.
- REALTOR®B delivered rejection to REALTOR®A and explained that seller had accepted another offer by one of REALTOR®B's sales associates.
- REALTOR®A saw the seller at a dinner party, who said there was nothing personal in the decision, but he saved money in his 'special agreement' with REALTOR®B for a lower commission if the listing sold in-office.
- REALTOR®A filed a complaint that the special agreement was undisclosed.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 3-13

- REALTOR®A listed Seller B's house at \$1,000,000 and listed in MLS.
- REALTOR®C's buyers submitted an offer for \$900,000. REALTOR®A presented to Seller B and offered to reduce commission by 1% since the price was lower than asking. Seller B agreed to accept the offer at the lower commission.
- REALTOR®A called REALTOR®C and asked if they could split the commission reduction between them. REALTOR®C agreed.
- After closing, REALTOR®C filed a complaint that the commission was being unilaterally modified in regard to a transaction after submitted offer.

Guilty or Not Guilty?

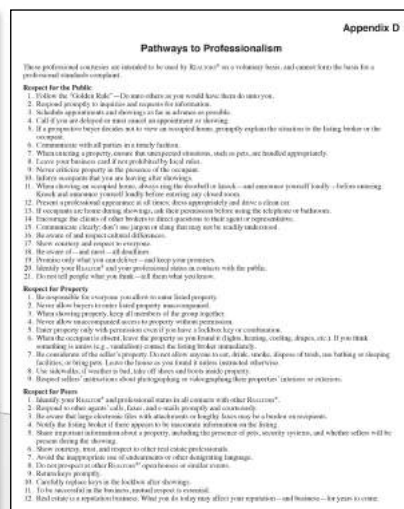
NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Pathways to Professionalism

- Respect for the Public
- Respect for Property
- Respect for Peers



Professionalism in Real Estate Practice – available for download at <https://store.realtor.org>

I'm proud to announce that I've earned the
Commitment to Excellence endorsement from
The NATIONAL ASSOCIATION of REALTORS®,
reflecting my dedication to practicing business
at the highest professional standards!



John Smaby
2019 President, NATIONAL ASSOCIATION OF REALTORS®



Bob Goldberg
CEO, NATIONAL ASSOCIATION OF REALTORS®





NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 2

Just the Facts, Ma'am.

Avoid exaggeration,
misrepresentation and
concealment of pertinent
facts. Do not reveal facts that
are confidential under the
scope of your agency
relationship.

Case Study 2-1

- REALTOR®A as property manager, offered a vacant house for rent to a prospective tenant, and presented it as good condition.
- Upon move-in, the tenant filed a complaint of misrepresentation for a clogged sewer line and a defective heater, claiming that REALTOR®A knew.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 2-6

- REALTOR®A was working with hesitant Buyer C, who was hesitant to write an offer due to concerns about job changes.
- REALTOR®A reassured Buyer C that if she bought the house, his office would guarantee their equity back within the next year, so Buyer C bought the house.
- Buyer C had a job transfer 6 months later and came to REALTOR®A to list the house. REALTOR®A advised Buyer C that the market had changed and the price would have to be reduced to attract a buyer.
- Buyer C filed a complaint of misrepresentation, exaggeration and failure to make good a commitment.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022



NATIONAL REAL ESTATE
ETHICS DAY[®]
#NationalEthicsDay

REALTORS[®]
RELIEF
FOUNDATION

Article 1

The Honest Messenger.

Protect and
promote your
client's interests,
but be honest
with ALL parties.

Standard of Practice 1-8

REALTORS®, acting as agents or brokers 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. Upon the written request of the listing broker who submits a counter-offer to the buyer's tenant's broker, the buyer's/tenant's broker shall provide, as soon as practical, a written affirmation to the listing broker stating that the counter-offer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counter-offer presented. REALTORS®, acting as agents or brokers 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 1/93, Amended 1/22*)

Case Study 1-1

- Seller A listed his house with REALTOR®B at \$137,900.
- REALTOR-Associate® C showed the house to buyers while representing REALTOR®B, and told them he was pretty sure an offer of \$130,000 would be accepted.
- REALTOR®B said that Client A had already said he would make concession price to get a quick sale.
- REALTOR-Associate®C interpreted that concession to mean 10% less would be acceptable.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 1-17

- Seller A decided to retire and sell his house. He contacted a number of brokers to discuss and was told to expect a sales price of \$150,000-\$158,000.
- Realtor®B said he could 'make a strong effort' at a listing price of \$168,000. He advertised the property, held it open, had several showings but received no offers.
- At the time of listing expiration, Realtor®B recommended lowering the price to \$158,900 as the market had slowed. An offer of \$150,000 was received and Realtor®B strongly suggested acceptance.
- Seller A accepted the offer and then filed a complaint that Realtor®B misled him as to market value.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

STANDARD OF PRACTICE 1-3

**REALTORS[®], in
attempting to secure
a listing, shall not
deliberately mislead
the owner as to
market value.**

#alwaysreppingtheR

CODE OF ETHICS



Case Study 1-18

- Client A listed and sold a commercial property with REALTOR®B.
- After closing, Client A learned that his tax position would have been more favorable in a trade instead of sale.
- Client A filed a complaint against REALTOR®B for not advising against the sale for obligation to be informed regarding laws.
- REALTOR®B stated that he had advised Client A to contact an attorney, which the client did not do.

Guilty or Not Guilty?

NOT GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

Case Study 1-5

- REALTOR®B listed Seller A's home. REALTOR®B advertised the house, showed it a few times to buyers who lost interest over the price, and discussed the listing in an office sales meeting where he advised that it may be overpriced.
- After 6 weeks and no contact from REALTOR®B, Seller A called the office anonymously and asked about his own listing for sale. The desk duty agent said 'we still have it listed but it is overpriced and we have others.'
- Seller A filed a complaint for failure to promote and protect the client best interest.

Guilty or Not Guilty?

GUILTY



National Association of REALTORS® (c) 2022 and Leigh Thomas Brown, Inc. (c) 2022

The logo features the text "RPAC" in a large, white, serif font, centered on a dark, weathered wooden plank background. Below "RPAC" is the phrase "is the member" in a smaller, white, italicized serif font. Underneath that is the word "BENEFIT" in a large, white, serif font, similar to "RPAC". Below "BENEFIT" is the phrase "that benefits" in a smaller, white, italicized serif font. At the bottom is the word "THE PUBLIC." in a large, white, serif font, with a period at the end. The entire text is centered horizontally. The wooden background has a vertical grain and some knots. There are small red dots on the left side of the text, possibly representing screws or nails. The logo is flanked by two horizontal bars at the bottom: a yellow bar on top and a blue bar on the bottom, both extending from the left and right edges of the image.

RPAC

is the member

BENEFIT

that benefits

THE PUBLIC.

 NATIONAL
ASSOCIATION OF
REALTORS®

Search

Q

[Store](#) [Contact](#) [Pay Dues](#) [Sign In](#)

[Real Estate Topics](#) [Membership](#) [Research & Statistics](#) [Political Advocacy](#) [Education](#) [News & Events](#) [About NAR](#) [More](#)

Competition in Real Estate

REALTORS® are mostly small business owners who work to ensure buyers and sellers have the greatest access, transparency and choice through independent, local broker marketplaces that level the playing field for all types and sizes of brokerages.

[Learn More](#)

[Fostering Competition](#) [Consumer Access & Opportunity](#) [REALTORS® as Champions](#) [In the News](#) [FAQ](#)

Competition.Realtor



NATIONAL
ASSOCIATION OF
REALTORS®
REALTOR® STORE

Get FREE SHIPPING on orders over \$50 everyday!

Login / Register  0

BooksBrochures + GuidesMultimediaSaleTopicsPosters + KitsResourcesAll Products

 Search by title, author, topic, or cate 

Type

☐ Book (5)

☐ Brochure (9)

☐ Brochure Package Of 100 (1)

☐ Guide (3)

☐ Multimedia (1)

☐ Other (4)

☐ Report (1)

Rating

Author

☐ Leigh Brown (1)

☐ NAR (22)

Other

Price

Min.

[Home](#) / [Topics](#) / [Being a REALTOR®](#) / [Code of Ethics](#)



Code of Ethics

Live by the code. A collection of materials to help you conduct business with a moral fairness and equality for all.

Feedback

store.realtor/topics/being-a-realtor/code-of-ethics/

REALTORS® RELIEF FOUNDATION

HOPE RISING
YOUR TRUST EMPOWERS US



Text Region to 71777

Ask your questions live at:

www.facebook.com/NationalCodeofEthicsDay



Thank you to our Ethics Panel of Advisors:

Amanda Creel
Jill Christy
Shelly Duncan
Kaéra Mims
Karen Randolph
Carol Seal
Stephanie White



Hashtag your posts:

#NationalEthicsDay





RESOURCES

NationalEthicsDay.com/participant



**CRAZY
SHOT
IN
REAL ESTATE**



Leigh Brown
LeighBrownUniversity.com

Get Fearless!
RECORD & POST!

**Speaker
BOOT CAMP™**

SpeakwithLeigh.com



**NATIONAL REAL ESTATE
ETHICS DAY®**
#NationalEthicsDay
NationalEthicsDay.com

Leigh
BROWN®

THANK YOU!



leighbrown.com



leighbrownspeaker



leighthomasbrown



@leighbrown

Resources: leighbrown.com/resources

