

PROFESSIONAL STANDARDS



Who determines the Standard of Professionalism?



NAR ADOPTED THE CODE OF ETHICS IN 1913.

REALTORS® must complete mandatory Code of Ethics training once every three (3) years.

- The Code of Ethics are maintained by the National Association of REALTORS®.
- There are 17 Articles in the Code of Ethics
- It is a membership duty for each REALTOR® to abide by and follow the Code of Ethics.
- Code of Ethics training is required of every REALTOR® member once every three years.

What Is An Ethics Violation?



An Ethics Violation occurs when a REALTOR® has been found in violation of one or more Articles of the Code of Ethics.

Alleged ethical violations are officially filed by the Complainant with any local board where the Responding Member holds membership.

The Local Board Grievance committee determines if the alleged violation should be moved forward to a hearing.

A Code of Ethics complaint is NOT an Mississippi Real Estate Commission, or MREC, Complaint.

An MREC Complaint is filed when someone believes a law or MREC rule has been broken.

These are two separate types of complaints.

What do I do if I believe someone has violated the Code of Ethics?

The Real Estate Agent must be a REALTOR®:

As a best practice, talk to your broker to determine the best course of action.

Mediation and Ombudsman services are available.



Do you believe someone has violated the Code of Ethics?

As a best practice try to speak to your Broker first to determine the best course of action.

Ombudsman and Mediation services are available to you; these are the quickest and least costly ways to resolve the complaint.

We'll talk more about Mediation in just a few minutes, but I want to mention a few things about Ombudsmen.



Ombudsman

Local and State Association Ombudsman Services (nar.realtor)

- **THE OMBUDSMAN PROCESS IS AN OPTION AVAILABLE TO RESOLVE DISPUTES.**
- **THE PRIMARY ROLE OF THE OMBUDSMAN IS COMMUNICATION AND CONCILIATION.**
- **OMBUDSMEN DO NOT DETERMINE WHETHER ETHICS VIOLATIONS HAVE OCCURRED OR WHO IS ENTITLED TO WHAT AMOUNT OF MONEY, RATHER THEY ANTICIPATE, IDENTIFY, AND RESOLVE MISUNDERSTANDINGS AND DISAGREEMENTS BEFORE MATTERS RIPEN INTO DISPUTES AND POSSIBLE CHARGES OF UNETHICAL CONDUCT.**
- **TRAINED OMBUDSMAN ARE AVAILABLE THROUGH YOUR LOCAL BOARD OR THE STATE ASSOCIATION.**

Ombudsman services are available in lieu of the Grievance and Hearing Process.

This is a process that is an optional service offered by the Association of REALTORS® available only to REALTORS® to resolve disputes.

The role of the Ombudsman is primarily one of communication.

Our ombudsmen are specially trained and ready to help.

Their goal is to help the parties resolve dispute before they develop into conflict.



See the brochure
"Before You File an
Ethics Complaint"
at nar.realtor for
detailed
information.

To File an Ethics Complaint

- The respondent must be a REALTOR®
- Complaint must cite one or more of the 17 Articles of the Code of Ethics that you believe were violated. (2023 Code of Ethics & Standards of Practice (nar.realtor))
- Must be filed within 180 days from the time the unethical conduct took place.
- The complaint should include a narrative description of the circumstances that lead you to believe the Code of Ethics was violated.
- The Local Board Grievance Committee may provide technical assistance in filling the form out correctly.

There is a brochure available to help us with the process at [NAR.realtor](https://nar.realtor). Search for "Before You File an Ethics Complaint."

An Ethics complaint can be filed by anyone, however, the respondent must be a REALTOR®.

Formal complaints must be completed in a timely manner and include as many details as you're able to include.



Grievance Committee

- The Grievance Committee receives ethics complaints and arbitration requests to determine if, taken as true on their face, a hearing is warranted. The Grievance Committee makes only such preliminary evaluation as is necessary to make these decisions.
- While the Grievance Committee has meetings, it does not hold hearings, does not decide whether members have violated the Code of Ethics, does not dismiss ethics complaints because of lack of evidence, and does not settle Arbitration requests.
- The Grievance Committee does not mediate or arbitrate business disputes.
- The Grievance Committee will hold regularly scheduled meetings and/or review complaints not later than forty-five (45) days after receipt of the complaint.

The process of evaluating a complaint is very detailed.

Once the complaint is received, the Local Grievance Committee, at a meeting, will determine if a hearing is warranted.

The Grievance committee uses criteria that are set forth in the NAR Code of Ethics and Arbitration Manual to determine if the complaint should be sent forward for a hearing or if it falls within the Local Citation Policy (if the local board has a Citation policy).

The Purpose of The Grievance Committee is:

THE GRIEVANCE COMMITTEE DOESN'T INVESTIGATE.

THEIR FUNCTION IS TO READ THE COMPLAINT, DETERMINE IF IT IS TIMELY FILED, PROPER ARTICLES ARE CITED, AND IF IT WARRANTS A HEARING.

UNDER NO CIRCUMSTANCES SHALL THE GRIEVANCE COMMITTEE DISCUSS THE COMPLAINT WITH ANYONE EXCEPT THE COMMITTEE'S MEMBERS DURING THE MEETING.



The Grievance Committee members are not investigators – their function is to review the complaint and The Code of Ethics to determine if the complaint has been filed within 180 days, the proper articles are cited, and if taken as true constitutes a potential violation of The Code of Ethics.

If it is determined that these questions are true, the Complaint is forwarded for a hearing.

Grievance committee members may not discuss the complaint beyond the meeting nor shall they discuss the complaint with anyone not present at this meeting.

Confidentiality in this process is critical!

Grievance Committee Results

- **IF YOUR COMPLAINT IS DISMISSED AS NOT REQUIRING A HEARING, YOU CAN APPEAL THE DISMISSAL TO THE LOCAL BOARD OF DIRECTORS.**

- **IF THE GRIEVANCE COMMITTEE FORWARDS YOUR COMPLAINT FOR HEARING, THAT DOES NOT MEAN THEY HAVE DECIDED THE CODE OF ETHICS WAS VIOLATED. IT MEANS THEY FEEL A VIOLATION *MAY* HAVE OCCURRED.**



There are cases where your complaint may be dismissed due to a wrongfully cited article. If this happens the Grievance committee will notify you.

In the event your complaint is dismissed you may appeal this dismissal to the Local Board of Directors.

When your complaint moves forward from the Committee towards a Hearing, this does not mean they've decided The Code of Ethics has been violated but rather they feel a hearing panel needs to review the case to determine if The Code of Ethics has been violated.

Both parties will then be notified of the Hearing.

ARBITRATION

This process is between REALTOR® principals, and is usually a dispute over compensation.

Only one party wins, the other party walks away with nothing.



Arbitration is available for Claims submitted between REALTOR® principals.

In many cases Arbitration is used when there is a dispute regarding compensation.

When a Hearing Panel issues an Arbitration award it is typically a “winner takes all” decision.

A request for Procedural Review of the Hearing Panel’s decision (the award) may be submitted in some cases.

MEDIATION:

- Mediation is less confrontational than a hearing.
- Costs less.
- Items discussed during the mediation process are not allowed to be discussed outside mediation.
- Encourages disputing parties to work amicably together
- Resolves the majority of disputes between REALTORS® that would otherwise require a hearing.



- Mediation is NAR's preferred method of dispute resolution and is required as a member benefit.
- In mediation, both parties meet with an independent mediator, and try to come to a resolution of the issue.
- If mediation is not successful, you can go to a hearing.

If an arbitration request is forwarded by the Grievance Committee, Mediation will be offered.

This optional service is the preferred method of resolution by NAR before a hearing.

The parties are able to have control over the decision versus a Hearing panel determining the award.

Associations must offer their Members the ability to Mediate an arbitration request with an Independent Mediator to try to come to a resolution.

In the event Mediation is not successful the next step is the Hearing.

As with everything in the Pro Standards process, Mediation is confidential.

The Hearing

- **YOU WILL PRESENT YOUR CASE.**
- **THE RESPONDENT WILL PRESENT THEIR CASE.**
- **THE HEARING PANEL MAY ASK QUESTIONS TO ALL PARTIES.**
- **EACH PARTY CAN ASK QUESTIONS OF EACH OTHER.**
- **THE HEARING PANEL WILL DELIBERATE AFTER HEARING FROM EACH PARTY AND MAKE A DECISION.**
- **THE DECISION OF THE HEARING PANEL MAY BE APPEALED IN CERTAIN CIRCUMSTANCES.**



If one party doesn't agree to Mediation or if Mediation is unsuccessful you will move to a Hearing.

The Hearing Panel is a group of your peers.

During the hearing you'll have an opportunity to present your case.

The Respondent will also have the chance to present their information.

Each party is able to cross examine (question) the other party.

There is also a time for the hearing panel to ask questions of both parties.

Once the case has been presented the Hearing Panel will deliberate and come to a decision. The decision of the Hearing Panel may be appealed or a request for procedural review may be submitted in certain circumstances by one or both parties.



References

NAR's Code of Ethics and Arbitration Manual includes the Code, Standards of Practice, and Case Interpretations.

**You can access the entire Manual here:
<https://nar.realtor/code-of-ethics-and-arbitration-manual>**

--ceam-2023-manual-2022-12-27.pdf (nar.realtor)
Ethics Complaints, Arbitration Requests, and Related Information (nar.realtor) Code of Ethics and Professional Standards (nar.realtor)
- ceam-2023-manual-2022-12-27.pdf (nar.realtor)
(Page 39 {site page 58}, Section 18 – Function)
Complaints and Arbitration - Mississippi REALTORS® (msrealtors.org) The Code of Ethics (nar.realtor)
2023 Code of Ethics & Standards of Practice (nar.realtor)
-- Mediation (nar.realtor)
National Association of REALTORS® Mediation Initiative, 2000-2001 Local and State Association Ombudsman Services (nar.realtor) Part Ten, Section 43 – Arbitrable Issues (nar.realtor)
-- Brochure: "Before You File an Ethics Complaint" (nar.realtor) Before You File an Ethics Complaint (nar.realtor)