



**National Association of REALTORS®
Code of Ethics Since 1913**

The REALTOR®'s Code of Ethics — A Gift of Vision

(An excerpt from the article by William D. North, former Executive Vice President and General Counsel, first appeared in the August 1978 edition of *The Executive Officer*.)

The Code of Ethics of the National Association of REALTORS® represents one of those rare creations of man—a living document; a document which somehow preserves its significance, relevance and usefulness despite the passing of years and the changing of the times.

The Code is an unusual Gift of Vision: the vision of those who dreamed that the business of real estate could become a profession, the vision of those who believed that the search for the highest and best use of the land required the highest and best measures of professional responsibility, and the vision of those who recognized private ownership of the land as indispensable to political democracy and a free and prosperous citizenry.

It is this Gift of Vision which has enabled the Code to survive half a century of unprecedented social, political, economic, and legal change substantially unchanged.

The creators and keepers of the Code have realized that to remain relevant and useful, the Code must be a great deal more than simply a set of rules for the conduct of real estate transactions. To endure, the Code must be a criterion of excellence while at the same time constituting a realistic standard of performance. It must be a guide to measure professional conduct, while at the same time representing the furthest reach of professional aspiration. The Code must remain constant without becoming absolute, must be enforceable without being oppressive, and must be meaningful without being dogmatic.

The Code of Ethics has been able to meet all these needs and reconcile all these objectives for one reason only—the vision of its creators in adopting as the unifying rationale of the Code the Concept of Service to the Public.

Every Article of the Code is premised on this single concept. This single concept provides the philosophical basis by which each Article must be interpreted and applied. This single concept, by which the various Articles of the Code are rationalized, is the reason the Code has been and is a “living document.” “Service to the Public” is the “end” and the Code is the “means” to that end.

Greetings from Commissioner Judy Lowe



On May 14, 2009 Governor Janice K. Brewer appointed me Commissioner of the Arizona Department of Real Estate (ADRE). On January 21, 2015, Governor Douglas A. Ducey re-appointed me as Commissioner.

I have been honored to accept both appointments.

I will use my extensive real estate industry knowledge and consumer protection experience to further promote the Department’s mission of “protecting the public”, while ensuring exceptional customer service.

As I do my ADRE Outreach around Arizona, I hear from real estate practitioners and consumers who believe that some real estate licensees do not meet minimum standards of professional and ethical practice, do not possess the real estate knowledge necessary to represent a consumer in the real estate transaction, and/or are “unprofessional”.

I personally have a strong conviction that the real estate practitioner must be a professional, that professionalism is expected by the real estate consumers, and that it is foremost in protecting the public in real estate matters.

Professionalism is a combination of a real estate licensee’s experience, skills, abilities, results, character and reputation demonstrated in terms of customer care, positive outcomes and qualitatively high client services.

I Am A REALTOR®.

To strive to be honorable and to abide by the Golden Rule;

To strive to serve well my community, and through it, my country;

To abide by the REALTORS'® Code of Ethics and to strive to conform my conduct to its aspirational ideals;

To act honestly in all real estate dealings;

To protect the individual right of real estate ownership and to widen the opportunity to enjoy it;

To seek better to represent my clients by building my knowledge and competence.

Duties to Clients and Customers

Article 1

REALTORS® protect and promote their clients' interests while treating all parties honestly.

Article 2

REALTORS® refrain from exaggeration, misrepresentation, or concealment of pertinent facts related to property or transactions.

Article 3

REALTORS® cooperate with other real estate professionals to advance their clients' best interests.

Article 4

When buying or selling on their own account or for their families or firms, REALTORS® make their true position or interest known.

Article 5

REALTORS® do not provide professional services where they have any present or contemplated interest in property without disclosing that interest to all affected parties.

Article 6

REALTORS® disclose any fee or financial benefit they may receive from recommending related real estate products or services.

Article 7

REALTORS® accept compensation from only one party, except where they make full disclosure to all parties and receive informed consent from their client.

Article 8

REALTORS® keep the funds of clients and customers in a separate escrow account.

Article 9

REALTORS® make sure that details of agreements are spelled out in writing whenever possible and that parties receive copies.

Duties to the Public**Article 10**

REALTORS® give equal professional service to all clients and customers irrespective of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® do not discriminate in their employment practices.

Article 11

REALTORS® are knowledgeable and competent in the fields of practice in which they engage or they get assistance from a knowledgeable professional, or disclose any lack of expertise to their client.

Article 12

REALTORS® are honest and truthful in their communications and present a true picture in their advertising, marketing, and in other public representations.

Article 13

REALTORS® do not engage in the unauthorized practice of law.

Article 14

REALTORS® willingly participate in ethics investigations and enforcement actions.

Duties to REALTORS®**Article 15**

REALTORS® make only truthful, not misleading, comments about other real estate professionals.

Article 16

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

Article 17

REALTORS® arbitrate and mediate financial disagreements with other REALTORS® and with their clients.

Code of Ethics Standard of Practice 1-1 Duties To Clients and Customers

Case Study Facts

Agent Ann agreed with seller that \$137,900 would be a fair price for the house.

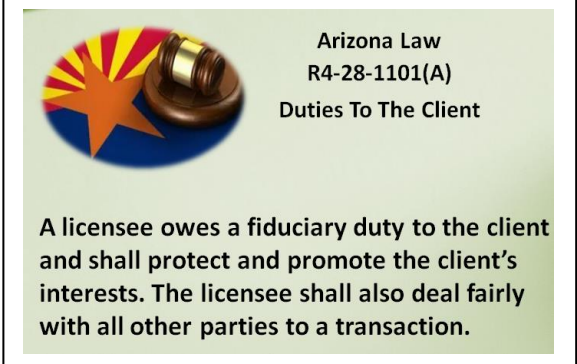
Seller Sue indicated she was interested in selling within a month, even if it meant making some concession on the price. Agent Ann stated she would make every effort to get the asking price of \$137,900.

Case Study Complaint

Seller Sue had evidence that Agent Ann pitched the property at a sales meeting, representing that “It’s listed at \$137,900, but I’m pretty sure that the seller will definitely take less!

Violation? Yes No

Why:



Arizona Law
R4-28-1101(A)
Duties To The Client

A licensee owes a fiduciary duty to the client and shall protect and promote the client's interests. The licensee shall also deal fairly with all other parties to a transaction.

Code of Ethics

Standard of Practice 1-7

Amended 1/19

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/ landlord has waived the obligation to have the offer presented. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease.

**Arizona Law
R4-28-802(B)**

During the term of a listing agreement, a salesperson or broker shall promptly submit to the salesperson's or broker's client all offers to purchase or lease the listed property. Upon receiving permission from the seller or lessor, the salesperson or broker acting on behalf of the seller or lessor may disclose to all offerors or their agents the existence and terms of all additional offers on the listed property. The salesperson or broker shall submit to the client all offers made prior to closing and is not released from this duty by the client's acceptance of an offer unless the client instructs the salesperson or broker in writing to cease submitting offers or unless otherwise provided in the listing agreement, lease, or purchase contract. The salesperson or broker may voluntarily submit offers to the seller or lessor regardless of any limitations contained in the listing agreement and may submit offers after the listing agreement is terminated.

Fair Housing Declaration

I agree to:

Provide equal professional service without regard to the race, color, religion, gender (sex), disability (handicap), familial status, national origin, sexual orientation or gender identity of any prospective client, customer, or of the residents of any community.

Keep informed about fair housing law and practices, improving my clients' and customers' opportunities and my business.

Develop advertising that indicates that everyone is welcome and no one is excluded, expanding my client's and customer's opportunities to see, buy, or lease property.

Inform my clients and customers about their rights and responsibilities under the fair housing laws by providing brochures and other information.

Document my efforts to provide professional service, which will assist me in becoming a more responsive and successful REALTOR®.

Refuse to tolerate non-compliance.

Learn about those who are different from me and celebrate those differences.

Take a positive approach to fair housing practices and aspire to follow the spirit as well as the letter of the law.

Develop and implement fair housing practices for my firm to carry out the spirit of this declaration.

Advertising

The following is excerpted from HUD memorandum: Guidance Regarding Advertisements Under 804(c) of the Fair Housing Act


1. Race, color, national origin. Real estate advertisements should state no discriminatory preference or limitation on account of race, color, or national origin. Use of words describing the housing, the current or potential residents, or the neighbors or neighborhood in racial or ethnic terms (i.e., white family home, no Irish) will create liability under this section. However, advertisements which are facially neutral will not create liability. Thus, complaints over use of phrases such as master bedroom, rare find, or desirable neighborhood should not be filed.
2. Religion. Advertisements should not contain an explicit preference, limitation, or discrimination on account of religion (i.e., no Jews, Christian home). Advertisements which use the legal name of an entity which contains a religious reference (for example, Roselawn Catholic Home), or those which contain a religious symbol, (such as a cross), standing alone, may indicate a religious preference. However, if such an advertisement includes a disclaimer (such as the statement "This Home does not discriminate on the basis of race, color, religion, national origin, sex, handicap or familial status") it will not violate the Act. Advertisements containing descriptions of properties (apartment complex with chapel), or services (kosher meals available) do not on their face state a preference for persons likely to make use of those facilities and are not violations of the Act. The use of secularized terms or symbols relating to religious holidays such as Santa Claus, Easter Bunny or St. Valentine's Day images, or phrases such as "Merry Christmas", "Happy Easter", or the like does not constitute a violation of the Act.
3. Sex. Advertisements for single family dwellings or separate units in a multi-family dwelling should contain no explicit preference, limitation or discrimination based on sex. Use of the term master bedroom does not constitute a violation of either the sex discrimination provisions, or the race discrimination provisions. Terms such as "mother-in-law suite" and "bachelor apartment" are commonly used as physical descriptions of housing units and do not violate the Act.
4. Handicap. Real estate advertisements should not contain explicit exclusions, limitations, or other indications of discrimination based on handicap (i.e., no wheelchairs). Advertisements containing descriptions of properties (great view, fourth-floor walk-up, walk-in closets), services or facilities (jogging trails), or neighborhoods (walk to bus-stop) do not violate the Act. Advertisements describing the conduct required of residents ("non-smoking", "sober") do not violate the Act. Advertisements containing descriptions of accessibility features are lawful (wheelchair ramp).
5. Familial status. Advertisements may not state an explicit preference, limitation or discrimination based on familial status. Advertisements may not contain limitations on the number or ages of children, or state a preference for adults, couples, or singles. Advertisements describing the properties (two-bedroom, cozy, family room), services and facilities (no bicycles allowed) or neighborhoods (quiet streets) are not facially discriminatory and do not violate the Act.

In any other advertisements, if other logotypes are used in the advertisement, then the Equal Housing Opportunity logo should be of a size at least equal to the largest of the other logotypes; if no other logotypes are used, then the type should be bold display face which is clearly visible.

Use Of Equal Housing Opportunity Logo	
Size Of Advertisement	Size Of Logo Type In Inches
1/2 Page Or Larger	2 X 2
1/8 Page Up to 1/2 Page	1 X 14
Column Inches to 1/8 Page	1/2 X 1/2
Less Than 4 Column Inches	Do Not Use

Such advertisements may be grouped with other advertisements under a caption which states that the housing is available to all without regard to race, color, religion, sex, handicap, familial status, or national origin

The use of an electronic medium, such as the Internet or web site technology, that targets residents of this state with the offering of a property interest or real estate brokerage services pertaining to property located in this state constitutes the dissemination of advertising as defined in A.R.S. § 32-2101(2).



**Arizona Law
R4-28-502(L)
Advertising By A Licensee**

Article 15 - Duties To REALTORS®

REALTORS® shall not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses, or their business practices.

Article 16 – Duties to REALTORS®

Standard of Practice 16-2

Article 16 does not preclude REALTORS® from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another REALTOR®.

Article 17 - Duties to REALTORS®

Standard Of Practice 17-1

The filing of litigation and refusal to withdraw from it by REALTORS® in an arbitrable matter constitutes a refusal to arbitrate.

Case Study Facts:

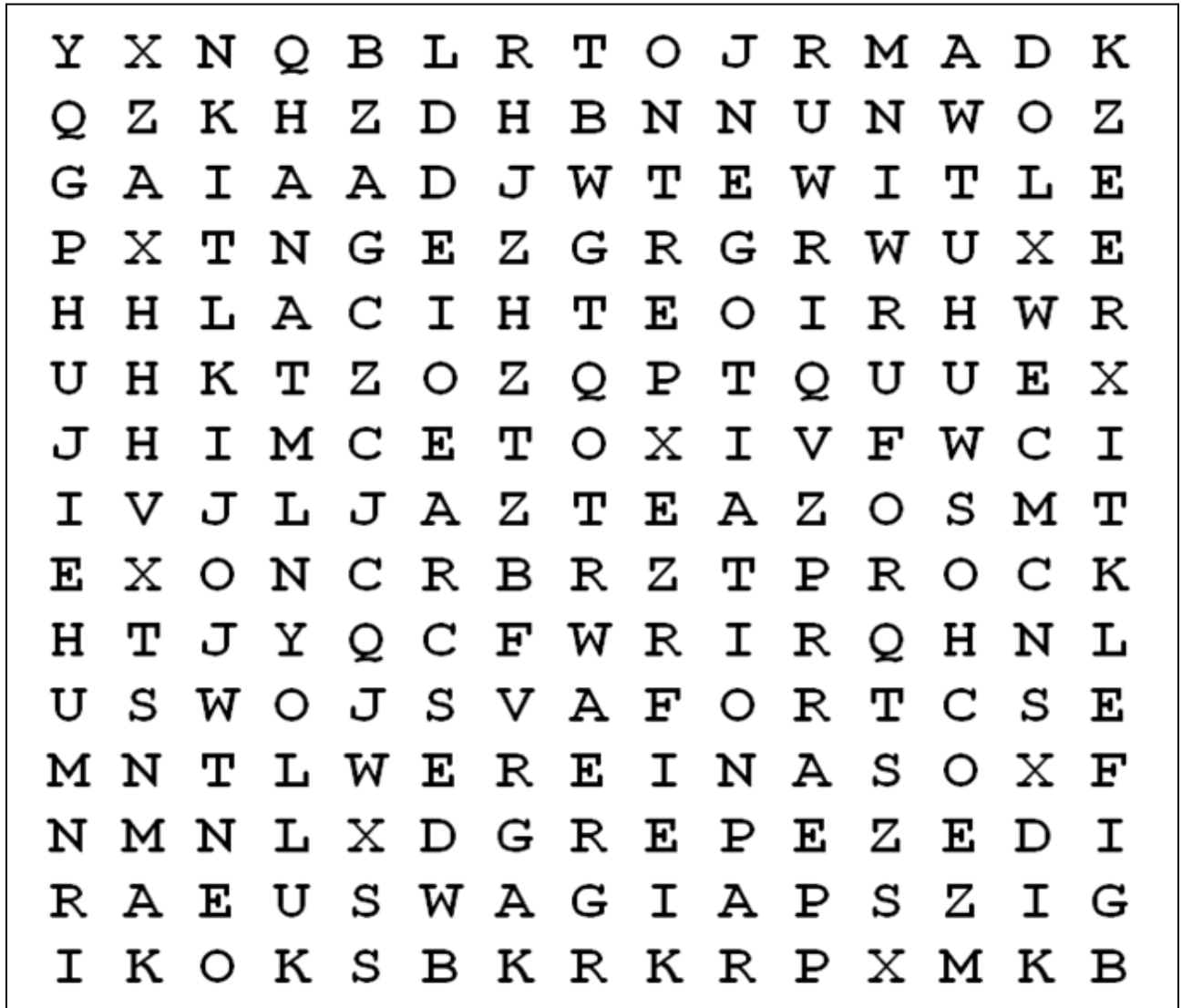
Agents Dean and John engaged in a cooperative transaction. Dean was the listing agent while John brought the buyer. After a successful close of escrow, John noticed that his commission check was quite below the stated coop fee on the listing agreement. How should this be resolved?



Commission Disputes:

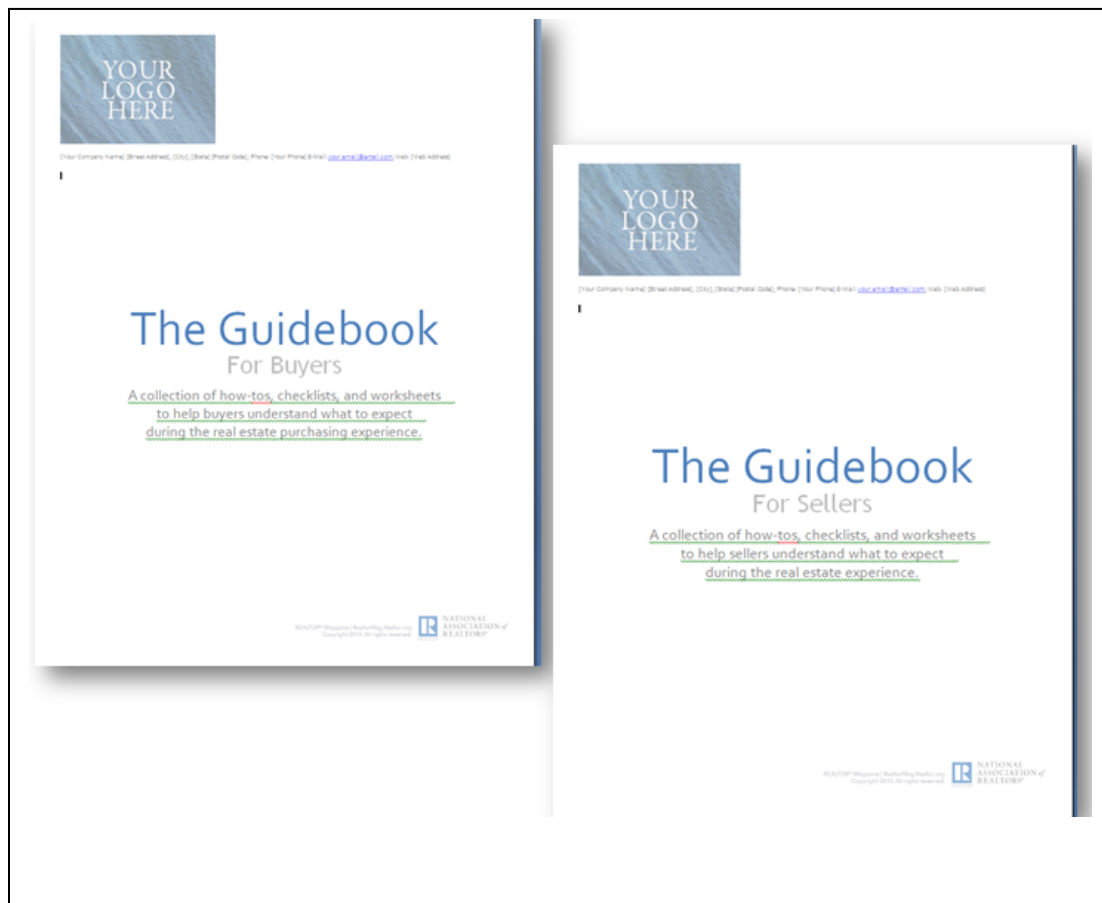
A.R.S. § 32-2152 (B) precludes the Department from entertaining complaints regarding purely civil disputes between licensees concerning the earning, splitting or nonpayment of compensation.

Word Search – Find The Words



Why Work With a REALTOR®

1. _____ Treatment.
2. An _____ Guide.
3. _____ Information And Opinions.
4. Expanded Search _____.
5. _____ Knowledge.
6. Up-to-date Experience.
7. Your _____ During Emotional Moments.



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I Pledge Myself

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_____, 20__

Board President

REALTOR®