

**NORTHERN ARIZONA MULTIPLE LISTING SERVICE  
RULES AND REGULATIONS**

**LISTING PROCEDURES**

**Section 1. LISTING PROCEDURES**

Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and which are located within the territorial jurisdiction of the multiple listing service, and are taken by participants on an exclusive right to sell listing form or exclusive agency form shall be input into the Multiple Listing Service (MLS) within seventy-two hours after all necessary signatures of seller(s) and Designated Broker have been obtained:

A. Types of Properties

- 1 Residential (RE)
- 2 Land (LD)
- 3 Multi-Family (MF)
- 4 Commercial/Industrial (CI)
- 5 Business Opportunity (BU)

B. The Multiple Listing Service shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the MLS, although a "Property Data Form" may be required as approved by the Multiple Listing Service. However, the Multiple Listing Service, through its legal counsel:

1. May reserve the right to refuse to accept a listing form, which fails to adequately protect the interest of the public and the Participants.
2. Assure that no listing form submitted to the Multiple Listing Service establishes, directly or indirectly, a contractual relationship between the Multiple Listing Service and the client (buyer or seller).

The Multiple Listing Service shall accept exclusive right-to-sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer compensation to the other participants of the MLS acting as subagents, buyer agents, or both. All listing agreements must include the seller's authorization to submit the agreement to the MLS.

**A DEFINITIONS OF VARIOUS TYPES OF LISTING AGREEMENTS:**

- 1 **EXCLUSIVE RIGHT-TO- SELL** A contractual agreement under which the listing broker acts as the agent *or as the legally recognized non-agency representative* of the seller(s) and the seller(s) agrees to pay a commission to the listing broker, regardless of whether the property is sold through the efforts of the listing broker, the seller(s) or anyone else; and a contractual agreement under which the listing broker acts *as the agent or as the legally recognized non-agency representative* of the seller(s) and the seller(s) agree to pay a commission to the listing broker regardless of whether the property is sold through the efforts of the listing broker, the seller(s) or anyone else, except that the seller(s) may name one or more individuals or entities as exemptions in the listing agreement and if the property is sold to any exempted individual or entity, the seller(s) is not obligated to pay a commission to the listing broker.
- 2 **EXCLUSIVE AGENCY**: A contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s) and the seller(s) agrees to pay a commission to the listing broker if the property is sold through the efforts of any real estate broker. If the property is sold solely through the efforts of the seller(s), the seller(s) is not obligated to pay a commission to the listing broker.

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- 3 **LIMITED SERVICE** : Listing agreements under which the listing broker will not provide one, or more, of the following services:
- (a) arrange appointments for cooperating brokers to show listed property to potential purchasers but instead gives cooperating brokers authority to make such appointments directly with the seller(s);
  - (b) accept and present to the seller(s) offers to purchase procured by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s);
  - (c) advise the seller(s) as to the merits of offers to purchase;
  - (d) assist the seller(s) in developing, communicating, or presenting counter-offers; or
  - (e) participate on the seller(s) behalf in negotiations leading to the sale of the listed property -will be identified with an appropriate code or symbol (e.g. "LR" or "LS") in MLS compilations so potential cooperating brokers will be aware of the extent of the MLS the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property. (Adopted 05/01)

**Note:** These definitions are provided to facilitate categorization of listings in MLS compilations. In any area of conflict or inconsistency, state law or regulation takes precedence. If state law permits brokers to list property, on either an exclusive or open basis, without establishing an agency relationship, listings may not be excluded from MLS compilations on the basis that the listing broker is not the seller's agent.

Exclusive Agency listings and Exclusive Right-to-Sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right-to-sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations.

**Note:** The MLS does not regulate the type of listings its members may take. This does not mean that a MLS must accept every type of listing. The MLS shall decline to accept open listings (except where acceptance is required by law) and net listings and it may limit its service to listings of certain kinds of property. But if it chooses to limit the kind of listings it will accept, it shall leave its Members free to accept such listings to be published outside the MLS.

**Note:** A MLS may, as a matter of local option accepts exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings.

## **B. STATUS DEFINITIONS**

**Active Contingency Removal** – Accepted contracts that have a contingency other than the contingencies in the pre-printed portion of the contract; such as, sale of another house or confirmation

of employment, etc. The seller may still consider other offers.

**Pending Take Backups** – Accepted contract that doesn't have any contingencies except those in the pre-printed portion of the contract; however, the seller will still consider other offers as backups to the accepted contract.

**Pending** – Accepted contract wherein there are no contingencies or all contingencies have been removed & seller is no longer taking backups.

**Withdrawn** — removed from MLS

**Cancelled** — Listing permanently being removed from market

### C. HOME DEFINITIONS

*The following definitions are for MLS DATA PURPOSE ONLY.*

Single Family Homes – A site built home constructed of various materials. A site-built home may have any number of foundation styles, but a modular, manufactured or mobile homes on a foundation is not considered a single-family residence, but are to listed in their separate categories.

Manufactured Home – Constructed on a steel chassis frame in a factory and constructed after June 15, 1976, and is transported to the site and installed. It may have one or more sections. The trailer tongue, wheels and axles may be removed, but it is still considered a manufactured home. Home is built to HUD specifications.

Mobile Home – Constructed in a factory and constructed prior to June 15, 1976, and transported to the site and installed. The trailer tongue, wheels and axles may be removed, but it is still considered a mobile home.

Modular Home – Constructed in a factory in complete sections. It never has a chassis, wheels, axle or trailer tongue and must be anchored to a permanent foundation. Home is built to Universal Building Code specifications.

### D. TYPE OF PROPERTIES

- 1 The following are some of the types of properties that may be published through the MLS, including types described in the preceding paragraph that are required to be filed with the Service, and other types that may be input in the MLS at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker:

<b>RESIDENTIAL</b>	87	<b>INDUSTRIAL</b>	99	<b>INVESTMENT</b>
<b>OWNER OCCUPIED</b>	88	1. Office Building	100	1. Single Family
1. Single Family	89	2. Shopping Center	101	2. Duplex, Triplex, 4-Plex, 8-Plex
2. Manufactured	90	3. Commercial Mix Use	102	3. Apartment Building (9+units)
3. Townhouse	91	4. Warehouse	103	4. Timeshare/Condo/Townhouse
4. Condo	92	5. Mini-Storage	104	5. Mobile Home Park
5. Timeshare	93	6. Retail Building	105	6. Rooming Houses
6. Modular	94	7. Other/Misc.	106	7. Other
7. Mobile	95		107	
	96		108	
	97	<b>RESIDENTIAL/MULTI-</b>	109	<b>BUSINESS</b>
<b>COMMERCIAL/</b>	98	<b>FAMILY</b>	110	<b>OPPORTUNITY</b>

111	1. Retail	121	<b>LAND</b>	131
112	2. Wholesale	122	1. Residential	132
113	3. Hotel-Motel	123	2. Mobile	133
114	4. Café-Restaurant-Bar	124	3. Multi-Family	134
115	5. Service	125	4. Commercial	135
116	6. Manufacturing	126	5. Industrial	136
117	7. Ranch	127	6. Agricultural	137
118	8. Franchise (New)	128	7. Res/Mobile	138
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The MLS shall not: Establish or maintain any rule or policy prohibiting inclusion of exclusive agency listings that would be otherwise acceptable for inclusion in the compilation of current listing information.

**Section 1.1 LISTING SUBJECT TO RULES AND REGULATIONS OF THE MLS:**

Any listing taken on a contract to be input in the MLS is subject to the Rules and Regulations of the MLS upon signature of the seller(s) and Designated Broker.

**Section 1.2 DETAILS ON LISTINGS INPUT IN THE MLS:**

Listing Agreement and/or Property Data Form, when input in the MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the Property Data Form.

**Section 1.3 LIMITED SERVICE LISTINGS:**

Listing agreement under which the listing broker will not provide one, or more, of the following services:

- a. Arrange appointments for cooperating brokers to show listed property to potential purchasers but instead give cooperating brokers authority to make such appointments directly with the seller(s)
- b. Accept and present to the seller(s) offers to purchase procedure by cooperating brokers but instead gives cooperating brokers authority to present offers to purchase directly to the seller(s).
- c. Advise the seller(s) as to the merits of offers to purchase
- d. Assist the seller(s) in developing, communicating, or presenting counter-offers
- e. Participate on the sellers(s') behalf in negotiations leading to the sale of the listed property

Will be identified with an appropriate code of symbol (e.g. LR or LS) in the MLS compilations so potential cooperating brokers will be aware of the extent of the services the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing brokers' clients, prior to initiating efforts to show or sell the property.

**Section 1.4 EXEMPTED LISTINGS:**

If the seller refuses to permit the listing to be disseminated by the MLS, the REALTOR® may then take a listing (Office Exclusive) and such listing shall not be disseminated to the Participants. Certification signed by the seller must be kept on file with the broker.

**Section 1.5 CHANGE OF STATUS OF LISTING:**

Any change in listed price, or other change(s) in the original listing agreement shall be made only when authorized in writing by the seller and shall be input in the MLS within seventy-two (72) hours (excepting weekends, holidays and postal holidays) after the authorized change is received by the listing broker.

**Section 1.6 WITHDRAWAL OF LISTING PRIOR TO EXPIRATION:**

Listings of property may be withdrawn from the MLS, when authorized by the listing broker before the expiration date of the listing agreement between the seller and the listing broker.

Seller(s) do not have the unilateral right to require the Association/MLS to withdraw a listing without the listing broker's concurrence. However, when a seller can document that his exclusive relationship with the listing broker has been terminated, the Association may remove the listing from the MLS at the request of the seller.

43 **Section 1.7 CONTINGENCIES APPLICABLE TO LISTINGS:**

44 Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants within 72  
45 hours.

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47 **Section 1.8 LISTING PRICE SPECIFIED:**

48 The full gross listing price stated in the listing agreement contract will be included in the information published in the  
49 MLS compilation of current listings, unless the property is subject to auction.

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51 **Section 1.9 LISTING MULTIPLE UNIT PROPERTIES:**

52 All properties which are to be sold or which may be sold separately, must be indicated individually in the listing and  
53 on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the  
54 MLS.

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56 **Section 1.10 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS:**

57 The Association/MLS shall not fix, control, recommend, suggest or maintain commission rates or fees for services to  
58 be rendered by Participants. Further, the Association/MLS shall not fix, control, recommend, suggest, or maintain the  
59 division of commissions or fees between cooperating Participants or between Participants and non-participants.

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61 **Section 1.11 EXPIRATION, EXTENSION AND RENEWAL OF LISTINGS:**

62 Any listing input in the MLS automatically expires on the dates specified in the agreement. If the listing is renewed or  
63 extended before expiration, the listing broker must input the change in the MLS. Any extension or renewal of a listing  
64 must be signed by the seller(s) and kept on file with the broker.

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66 If the listing has expired within the previous thirty days, notification of renewal or extension must be filed with the  
67 Association for the change to occur. If renewal or extension is obtained more than thirty days after the expiration date  
68 of the original listing, then a new listing must be secured for the listing to be input in the MLS. It should then be  
69 published as a new listing. Any extension or renewal of a listing must be signed by the seller(s).

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71 **Section 1.12 TERMINATION DATE ON LISTINGS:**

72 Listings input in the MLS shall bear a definite and final termination date as negotiated between the listing broker and  
73 the seller.

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75 **Section 1.13 JURISDICTION**

76 Only listings of the designated types of property located within the jurisdiction of the Association of REALTORS®  
77 are required to be input into the MLS. Listings of property located outside the Association's jurisdiction will be  
78 accepted if submitted voluntarily by a Participant, but cannot be required by the MLS.

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81 **Section 1.14 LISTINGS OF SUSPENDED PARTICIPANTS:**

82 When a Participant of the MLS is suspended from the MLS, for failing to abide by a membership duty (i.e. violation  
83 of the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership obligations except  
84 failure to pay appropriate dues, fees or charges), all listings currently entered in the MLS by the suspended Participant  
85 shall, at the Participant's option, be retained in the MLS until sold, withdrawn, or expired, and shall not be renewed or  
86 extended by the MLS beyond termination date of the listing agreement in effect when the suspension became  
87 effective. If a Participant has been suspended from the Association (except where MLS participation without  
88 Association membership is permitted by law) or the MLS (or both) for failure to pay appropriate dues, fees or charges,  
89 a Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended  
90 Participant's listing in the MLS compilation of current listing information. Prior to any removal of a suspended  
91 Participant's listings from the MLS the suspended Participant should be advised in writing of the intended removal so  
92 that the suspended Participant may advise his clients. At the end of the suspension, Participant will be charged the

93 appropriate new listing submission fee for each listing re-listed with the MLS.  
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95 **Section 1.15 LISTINGS OF EXPELLED PARTICIPANTS:**

96 When a Participant of the MLS is expelled from the MLS for failing to abide by a membership duty (i.e. violation of  
97 the Code of Ethics, Association Bylaws, MLS Rules and Regulations, or other membership obligations, except failure  
98 to pay appropriate dues, fees or charges), all listings currently input in the MLS shall, at the expelled Participant's  
99 option, be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS  
100 beyond the termination date of the listing agreement in effect when the expulsion became effective.  
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102 If a Participant has been expelled from the Association (except where MLS participation without Association  
103 membership is permitted by law), or MLS (or both) for failure to pay appropriate dues, fees or charges, the MLS is not  
104 obligated to provide MLS services, including continued inclusion of the expelled Participant's listings from the MLS,  
105 the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may  
106 advise his clients. At the end of the expulsion, Participant will be charged the appropriate new listing submission fee  
107 for each listing re-listed with the MLS.  
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109 **Section 1.16 LISTINGS OF RESIGNED PARTICIPANTS:**

110 When a Participant resigns from the MLS, Inc., the MLS is not obligated to provide services, including continued  
111 inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any  
112 removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the  
113 intended removal so that the resigned Participant may advise his clients. Should the Participant return to participation  
114 in the MLS, Participant will be charged the appropriate new listing submission fee for each listing re-listed with the  
115 MLS.  
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117 **Section 1.17 AREA ADDITIONS.** Area Addition requests will only be accepted in writing by completing the Area  
118 Addition Request form. An Addition will be added to the MLS for subdivision with 50 or more lots that have an  
119 APPROVED public report or a Petition for Conditional Sales Exemption from ADRE, which DOES NOT fall within  
120 an area that already exists in the MLS. Any special considerations will be reviewed by the MLS Committee. (7/07)  
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124 **SELLING PROCEDURES**

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126 **Section 2. SELLING PROCEDURES - SHOWINGS AND NEGOTIATIONS:**

127 Appointments for showings and negotiations with the seller for the purchase of listed property input in the MLS shall  
128 be conducted through the listing broker except under the following circumstances:  
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- 130 A The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or;  
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132 B After reasonable effort, the cooperating broker cannot contact the listing broker or his representative;  
133 however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.  
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136 **Section 2.1 PRESENTATION OF OFFERS:**

137 The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a  
138 satisfactory reason for not doing so.  
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140 **Section 2.2 SUBMISSION OF OFFERS:**

141 The listing broker shall submit to the seller(s) all written offers until closing unless precluded by law, government  
142 rule, regulation, or agreed otherwise in writing between the seller(s) and listing broker. Unless the subsequent offer is

143 contingent upon the termination of an existing contract, the listing broker shall recommend that the seller(s) obtain the  
144 advice of legal counsel prior to acceptance of the subsequent offer.

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146 Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until  
147 acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a questions about whether  
148 a pre-existing contract has been terminated. (amended 11/05).

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150 **Section 2.3 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER:**

151 The cooperating broker (subagent or buyer agent) or his representative shall have the right to participate in the  
152 presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present  
153 at any discussion or evaluation of that offer by the seller(s) or lessor(s) and the listing broker. However, if the seller(s)  
154 or lessor(s) gives written instructions to the listing broker that the cooperating broker not be present when an offer is  
155 presented, the cooperating broker has the right to see a copy of the seller's written instructions. None of the  
156 foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

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158 **Section 2.4 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER:**

159 The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the  
160 seller(s) or lessor(s). He does not have the right to be present at any discussion or evaluation of a counter-offer by the  
161 purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee gives  
162 written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented,  
163 the listing broker has the right to a copy of the purchaser's or lessee's written instructions.

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165 **2.5 REPORTING SALES TO THE MLS**

166 Status changes, including final closing of sales and sales prices, shall be reported to the multiple listing  
167 service by the listing broker within 72 hours after they have occurred. If negotiations were carried on under  
168 Section 2 a. or b. hereof, the cooperating broker shall report accepted offers and prices to the listing broker  
169 within 72 hours after occurrence and the listing broker shall report them to the MLS within 72 hours after  
170 receiving notice from the cooperating broker. (Amended 11/11)

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172 Note 1: The listing agreement of a property filed with the MLS by the listing broker should include a  
173 provision expressly granting the listing broker authority to advertise; to file the listing with the MLS; to  
174 provide timely notice of status changes of the listing to the MLS; and to provide sales information including  
175 selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales  
176 information prior to final closing (settlement) of a sales transaction, the listing agreement should also include  
177 a provision expressly granting the listing broker the right to authorize dissemination of this information by the  
178 MLS to its participants. (Amended 11/01)

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180 Note 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price  
181 may be required by the MLS.

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183 In states where the actual sale prices of completed transactions are not publicly accessible, failure to  
184 report sale prices can result in disciplinary action only if the MLS:

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186 1. categorizes sale price information as confidential and  
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188 2. limits use of sale price information to participants and subscribers in providing real estate  
189 services, including appraisals and other valuations, to customers and clients; and to  
190 governmental bodies and third-party entities only as provided below.

192 The MLS may provide sale price information to governmental bodies only to be used for statistical purposes  
193 (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information  
194 submitted by property owners or their representatives in connection with property valuation challenges; and to  
195 third-party entities only to be used for academic research, statistical analysis, or for providing services to  
196 participants and subscribers. In any instance where a governmental body or third-party entity makes sale price  
197 information provided by the MLS available other than as provided for in this provision, a listing participant  
198 may request the sale price information for a specific property be withheld from dissemination for these  
199 purposes with written authorization from the seller, and withholding of sale price information from those  
200 entities shall not be construed as a violation of the requirement to report sale prices. (Adopted 11/11)  
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202 Note 3: As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as  
203 confidential in states where the actual sale prices of completed transactions are not accessible from public  
204 records. (Adopted 11/11)  
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206 **Section 2.6 REPORTING RESOLUTIONS OF CONTINGENCIES:**

207 The listing broker shall input into the MLS within seventy-two (72) hours that a contingency on file with the MLS has  
208 been fulfilled or renewed, or the agreement canceled.  
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210 **Section 2.7 REPORTING CANCELLATION OF PENDING SALE:**

211 The listing broker shall input immediately into the MLS the cancellation of any pending sale and the listing shall be  
212 reinstated immediately.  
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214 **Section 2.8 DISCLOSURE OF EXISTING OFFERS:**

215 Listing brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller’s approval, disclose  
216 the existence of offers on the property. Where disclosure is authorized, the listing broker shall also, if asked, disclose  
217 whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating broker  
218 (adopted 11/08).  
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220 **Section 2.9 Availability of Listed Property**

221 Listing brokers shall not misrepresent the availability of access to show or inspect listed property.  
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223 **REFUSAL TO SELL**

224 **Section 3. REFUSAL TO SELL:**

225 If the seller of any listed property input in the MLS refuses to accept a written offer satisfying the terms and  
226 conditions stated in the listing, such fact shall be transmitted immediately to the MLS and to all Participants.  
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230 **PROHIBITIONS**

231 **Section 4. - INFORMATION FOR PARTICIPANTS ONLY:**

232 Any listing input in the MLS shall not be made available to any broker or firm not a Member of the MLS without the  
233 prior consent of the listing broker.  
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236 **Section 4.1 “FOR SALE” SIGNS:**

237 Only the “FOR SALE” signs of the listing broker may be placed on a property.  
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239 **Section 4.2 “SOLD” SIGNS:**

240 Prior to closing, only the “SOLD” sign of the listing broker may be placed on a property unless the listing broker  
241 authorizes the cooperating (selling) broker to post such a sign.

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**Section 4.3 SOLICITATION OF LISTING INPUT IN THE MLS:**

Participants shall not solicit a listing on property input in the MLS unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

**Section 4.4 ADVERTISING OF LISTING INPUT IN THE MLS:**

A listing shall not be advertised by any Participant, other than the listing broker, without the prior *written* consent of the listing broker or per the IDX rules.

**Section 4.5 BRANDING:**

Branding is prohibited in all public MLS fields including Directions, Marketing Remarks, Virtual Tours and Photos. Branding is defined as agent contact information, broker information, for sale signs and any other information that would allow a customer or client to identify a Listing Agent or Brokerage. (*adopted 10/08*).

**DIVISIONS OF COMMISSIONS**

**Section 5. - COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:**

The listing broker shall specify, on each listing input in the MLS, the compensation offered to other MLS Participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid.

In filing a property with the MLS of an association of REALTORS®, the Participant of the MLS is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing input in the MLS. Specifying the compensation on each listing is necessary because cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.\*

\*The compensation specified on listings filed with the multiple listing service shall appear in one of two forms. The essential and appropriate requirement by an association multiple listing service is that the information to be published shall clearly inform the participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

1. by showing a percentage of the gross selling price
2. by showing a definite dollar amount (Amended 5/10)

Note: MLSs may also, as a matter of local discretion, allow participants to offer cooperative compensation as a percentage of the net sales price, with the net sales price defined as the gross sales price minus buyer upgrades (new construction) and seller concessions (as defined by the MLS unless otherwise defined by state law or regulation). (Adopted 5/08)

While MLSs are not required to authorize participants to offer cooperative compensation based on net sale prices,

292 those that do permit such offers must define “seller concessions” for purposes other than new construction, unless that  
293 term is defined by applicable state law or regulation. The following definition of “seller concessions” is suggested but  
294 not required for adoption:

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297 Points paid by seller on behalf of buyer, seller-paid buyer closing costs, cash or cash allowances not escrowed, down  
298 payment assistance, additions or alterations not considered deferred maintenance, and personal property not usual and  
299 customary to such transactions conveyed from seller to buyer having an agreed upon monetary value. (Adopted 05/12)

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301 The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as  
302 subagents, buyer agents, or in other agency or non-agency capacities defined by law) which may be the same or  
303 different.

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305 This shall not preclude the listing broker from offering any MLS Participant compensation other than the  
306 compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in  
307 writing, in advance of submitting an offer to purchase, and provided that the modification in the specified  
308 compensation is not the result of any agreement among all or any other Participants in the service. Any superseding  
309 offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

310  
311 **Note 1:** The Association/MLS shall not have a rule requiring the listing broker to disclose the amount of  
312 total negotiated commission in his listing contract, and the Association/MLS shall not publish the total  
313 negotiated commission on a listing which has been input into the MLS by a Participant. The  
314 Association/MLS shall not disclose in any way the total commission negotiated between the seller and the  
315 listing broker.

316  
317  
318 **Note 2:** The listing broker may, from time to time, adjust the compensation offered to other MLS  
319 Participants for their services with respect to any listing by advance published notice to the MLS so that  
320 all Participants will be advised.

321  
322 **Note 3:** The Association/MLS shall make no rule on the division of commissions between Participants  
323 and non-participants. This should remain solely the responsibility of the listing broker.

324  
325 **Note 4:** Multiple Listings Services, at their discretion, may adopt rules and procedures enabling listing  
326 brokers to communicate to potential cooperating brokers that gross commissions established in listing  
327 contracts are subject to court approval; and that the compensation payable to cooperating brokers may be  
328 reduced if the gross commission established in the listing contract is reduced by a court. In such instances,  
329 the fact that the gross commission is subject to court approval and either the potential reduction in  
330 compensation payable to cooperating brokers or the method by which the potential reduction in  
331 compensation will be calculated must be clearly communication to potential cooperating brokers prior to  
332 the time they submit an offer that ultimately results in a successful transaction

333  
334 **Note 5:** Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a  
335 matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a  
336 successful transaction. (11/05).

337  
338 **Note 6:** Multiple listing services must give participants the ability to disclose to other participants any  
339 potential for a short sale. As used in these rules, short sales are defined as a transaction where title  
340 transfers, where the sale prices is insufficient to pay the total of all liens and costs of sale, and where the

341 seller des not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services  
342 may, as a matter of local discretion, require participants to disclose potential short sales when participants  
343 know a transaction is a potential short sale. In any instance where a participant discloses a potential short  
344 sale, they may, as a matter of local discretion, also be permitted to communicate to other participants how  
345 any reduction in the gross commission established in the listing contract required by the lender as a  
346 condition of approving the sale will be apportioned between listing and cooperating participants. All  
347 confidential disclosures and confidential information related to short sales, if allowed by local rules, must  
348 be communication through dedicated fields or confidential “remarks” available only to participants and  
349 subscribers  
350

### 351 **Section 5.1 DISCLOSING POTENTIAL SHORT SALES**

352 Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is  
353 insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to  
354 the closing to cure all deficiencies) when reasonably known to the listing participants. (5/09)  
355

### 356 **Section 5.2 PARTICIPANT AS PRINCIPAL:**

357 If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any interest in  
358 property, the listing of which is to be disseminated through the MLS, that person shall disclose that interest when the  
359 listing is input in the MLS and such information shall be disseminated to all MLS Participants.  
360

### 361 **Section 5.3 PARTICIPANT AS PURCHASER:**

362 If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant wishes to acquire an  
363 interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the  
364 listing broker not later than the time an offer to purchase is submitted to the listing broker  
365  
366

### 367 **Section -5.4 DUAL OR VARIABLE RATE COMMISSION AGREEMENT:**

368 The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/ landlord agrees to pay a  
369 specified commission if the property is sold/leased by the listing broker without assistance and a different commission  
370 if the sale/lease results through the efforts of a cooperating broker; or one in which the seller/landlord agrees to pay a  
371 specified commission if the property is sold/leased by the listing broker either with or without the assistance of a  
372 cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be  
373 disclosed by the listing broker by a key, code or symbol as required by the MLS. The listing broker shall, in response  
374 to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative  
375 transaction or, alternatively, in a sale/lease that results through the efforts of the seller/landlord. If the cooperating  
376 broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client  
377 before the client makes an offer to purchase or lease.  
378

## 379 **SERVICE CHARGES**

### 381 **Section 6. SERVICE FEES AND CHARGES:**

382 The following service charges for operation of the Northern Arizona MLS are in effect to defray the costs of the MLS  
383 and are subject to change from time-to-time in the manner prescribed:  
384

- 385 A **Initial Participation Fee:** An applicant for participation in the MLS shall pay an application fee of \$350.00  
386 with such fee to accompany the application. *Fee will be charged for applicants inactive with NAAR for one*  
387 *(1) year or longer.*
- 388 B **Recurring Participation Fee:** The quarterly participation fee of each primary Participant shall be an amount  
389 equal to \$85.00 times each salesperson and \$145.00 times each licensed or certified appraiser who has access

390 to and use of the MLS, whether licensed as a broker, sales licensee or licensed or certified appraiser who is  
391 employed by or affiliated as an independent contractor with such Participant. A Participants licensed office  
392 employee employed for administrative purposes only and Property Managers will be subject to a \$57.50  
393 quarterly access fee. Payment of such fees shall be made on or before the first day of the quarter of the MLS.  
Fees shall be prorated on a semi-monthly basis.

394 However, MLSs must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for  
395 any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS or CIE  
396 where the principal broker participates. MLSs may, at their discretion, require that broker participants sign a  
397 certification for nonuse of its MLS services by their licensees, which can include penalties and termination of  
398 the waiver if violated.

- 399 C **Late Fees:** A late fee in the amount of \$35 will be charged to each subscriber if payment of fees are received  
400 more than (5) days after due date.

401 **Section 7. MLS LISTING REQUIREMENTS:**

- 402
- 403
- 404 A. All listings must include concise directions to the property. If directions are not available, a map to the  
405 property must be uploaded as an additional document within 72 hours of being entered into the MLS  
406 system. If such information is not received within 72 hours, a fine of \$50 will be charged to the listing  
407 office. (1/2016)
- 408
- 409
- 410 B. **Photos** All Residential and Land listings submitted for publication must contain photo or rendering of  
411 actual property except where sellers expressly direct that photographs of their property not appear in MLS  
412 compilations. If photo is not entered within 72 hours of listing being entered into the MLS, a fine of \$50  
413 will be charged to the listing office. ***\*\*Please note that Line Art or Satellite Photos are not acceptable as  
414 primary photo.***
- 415
- 416 C. **Late submission** of listings greater than 3 business days after broker's signature will carry a fine of  
417 \$50.00
- 418
- 419 D. **Pending status change** notification must be input into the MLS within seventy-two (72) hours of a signed  
420 contract. If such notification is not input with seventy-two (72) hours, a fine of \$50.00 will be assessed to  
421 the listing office.
- 422
- 423 E. **Expired listing** that have not been extended within 30 days will require a new submission fee of \$5.00, a  
424 new "Data Form" and a new "Exclusive Authorization to Sell Listing Agreement" signed by sellers for re-  
425 entry into the MLS system. If under 30 days, a change order signed by the seller(s) extending the listing  
426 must be submit to the Association Office.
- 427
- 428 F. **Sold information** submitted more than 72 hours from the date of closing will carry a fine of 50.00. Sold  
429 information on pre-sold listings that were not input into MLS may, at no charge, be entered as sold  
430 information "for comps only" within 30 days of sale.
- 431
- 432 G. **Transfer of Listings** from one broker to another when an agent changes offices: If severing broker agrees  
433 to release the listings, a cancelation change order form must be signed by the severing broker for each  
434 listing **BEFORE** the agent relists the property into the MLS system.
- 435
- 436 H. **The Association will conduct periodic audits of listings entered** into the MLS. Any paperwork (i.e.  
437 data form, exclusive authorization to sell listings agreement, change orders, etc.) must be submitted within  
438 24-hours of request.

439 **SECTION 8. KEYBOX SYSTEM**

440 A. Only one common, approved KeyBox system will be operated and/or endorsed by NAAR. Use of the endorsed  
441 system shall be governed by the following:

- 442
- 443 1. Keyboxes may not be placed on a property without written authority from the seller. This authority  
444 may be established in the listing contract or in a separate document created specifically for the purpose.
  - 445
  - 446 2. If seller(s) authorizes the use of a KeyBox other than the endorsed NAAR Keybox System and the  
447 property is listed in the NAAR MLS, the property will be required to have both the endorsed  
448 KeyBox in addition to any make/model authorized by seller(s).
  - 449
  - 450 3. If the property is bank-owned, the endorsed Keybox System is required on the property in addition  
451 to any make/model of KeyBox required by the bank.
  - 452
  - 453 4. No one shall be required to lease a key from the association except on a voluntary basis
  - 454
  - 455 5. A fine of \$50 per listing will be assessed for violation of KeyBox rules.
  - 456
  - 457 6. Every MLS participant and every non-principal broker, sales licensee and licensed or certified  
458 appraiser who is affiliated with an MLS participant and who is legally eligible for MLS access  
459 shall be eligible to hold a key subject to their executive of a lease agreement with the MLS.

460 **Note: These rules apply only if the participant is a member of the Keybox program**

461

462 B. Eligible participants will be issued a Supra Key upon signing a lease agreement.

463

464 C. If the Supra Key is lost or stolen the agent must file a statement of explanation within 72 hours at the  
465 Association Office. In some cases a police report may be appropriate.

466

467 D. A SUPRA issuance fee (amount varies from year to year) is required on each new Supra Key. The fee for a  
468 replacement Key, without insurance, will be \$249

469

470 E. KeyBoxes can be leased for \$109.

471

472 F. Members who lease a KeyBox(s) and/or a Supra Key and desire to leave the industry or no longer use the  
473 KeyBox system shall return the KeyBoxes and Key to the Association Office **within 48 hours.**

474

475 G. Failure to secure property and/or replace property key(s) into KeyBox may be subject to a fine.

476

477 H. KeyBox shall be removed immediately upon expiration or cancellation of listing or upon recordation of deed.

478

479 Members who lease a KeyBox(s) or Supra Key shall not lend their Key to anyone and shall be used only by the lessee.  
480 KeyBoxes, with proper written notification to the Association Office, can be transferred to other active agents within  
481 the association. KeyBox Lessee shall not attach their PIN number to the Key in any manner. Violation of this section  
482 will result in a fine per the NAAR Penalty Policy.  
483  
484

485 **Section 9. COMPLIANCE WITH RULES –AUTHORITY TO IMPOSE DISCIPLINE:**

486 By coming and remaining a participant or subscriber in the MLS, each participant and subscriber agrees to be subject  
487 to the  
488 rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing  
489 procedures established in these rules, imposed discipline for violations of the rules and other MLS governance  
490 provisions. Discipline that may be imposed may only consist of one or more of the following:

- 491 A. Letter of warning  
492 B. Letter of reprimand  
493 C. Attendance at MLS orientation or other appropriate course or seminar which the participant or  
494 subscriber can reasonably attend taking into consideration cost, location, and duration.  
495 D. Appropriate, reasonable fine not to exceed \$15,000  
496 E. Probation for a stated period of time not less than thirty (30) days nor more than one (1) year  
497 F. Suspension of MLS right, privileges, and services for not less than thirty (30) days nor more than  
498 one (1) year  
499 G. Termination of MLS rights, privileges, and services with no right to reapply for a specified period  
500 not to exceed three (3) year.  
501  
502

503 **Section 9.1 Compliance with Rules**

504 The following action may be taken for non-compliance with the rules:

- 505  
506 A. For failure to pay any service charge or fee within five (5) days of the date due, and provided that  
507 at least five (5) days' notice has been given, in writing via email or by mail to the Participant, MLS  
508 access may suspended until service charges or fees are paid in full.  
509  
510 B. For failure to comply with any other rule, the provisions of Section 11, 11.1 and 11.2 shall apply.  
511  
512

513 **Section 9.1 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS:**

514 Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information distributed by  
515 the MLS are subject to these rules and regulations and may be disciplined for violations thereof provided that the user  
516 or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on  
517 compliance with the Policies and Procedures, and the Rules and Regulations of the MLS. Further, failure of any user  
518 or subscriber to abide by the rules and/or any sanction imposed for violations thereof can subject the Participant to the  
519 same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability  
520 for all users or subscribers affiliated with the Participant.  
521

522 **Section 10. MEETINGS:**

523 The MLS Committee shall meet for the transaction of its business the first Wednesday of each month at 9:00 am at the  
524 Northern Arizona Association of REALTORS®. Absence from two regular meeting within a calendar year, without an  
525 excuse deemed valid by the committee members, shall be constructed as resignation from the committee. These  
526 meetings are open to all members  
527

528 **Section 10.1 MEETING OF MLS PARTICIPANTS:**

529 The Committee may call meetings of the *Participants* and general membership in the MLS to be known as meetings of  
530 the MLS.  
531

532 **Section 10.2 CONDUCT OF THE MEETINGS:**

533 The Chairman, or Chairman-elect shall preside at all meetings or, in their absence, a temporary Chairman from the  
534 membership of the Committee shall be named by the Chairman or, upon his failure to do so, by the Committee.

535 **ENFORCEMENT OF RULES OR DISPUTES**

536  
537 **Section 11. CONSIDERATION OF ALLEGED VIOLATIONS:**

538 The MLS Committee shall give consideration to all written complaints having to do with a violation of the Rules and  
539 Regulations.

540  
541 **Section 11.1 VIOLATIONS OF RULES AND REGULATIONS:**

542 If an alleged offense is a violation of Rules and Regulations of the MLS and does not involve a charge of alleged  
543 unethical conduct or request for arbitration, it may be considered and determined by the MLS Committee, and if a  
544 violation is determined, the Committee may direct the imposition of sanction, provided that the recipient of said  
545 sanction may request a hearing before the *Professional Standards Committee* in accordance with the Bylaws and  
546 Rules and Regulations of the NAAR within twenty (20) days following receipt of the Committee's decision.

547  
548 If, rather than conducting an administrative review, the multiple listing committee has a procedure established to  
549 conduct hearings, the decision of the multiple listing committee may be appealed to the board of directors of the  
550 association of REALTORS® within twenty (19) days of the tribunal's decision being rendered. Alleged violations  
551 involving unethical conduct shall be referred to the associations' grievance committee for processing in accordance  
552 with the professional standards procedures of the association. If the charge alleges a refusal of arbitrate, such charge  
553 shall be referred directly to the board of directors of the association of REALTORS®.

554  
555 **Section 11.2 COMPLAINTS OF UNETHICAL CONDUCT:**

556 All other complaints of unethical conduct shall be referred by the committee to the Executive Officer of the Northern  
557 Arizona Association of REALTORS® for appropriate action in accordance with the professional standards procedures  
558 established in the the NAAR bylaws.

559  
560 **Section 11.3 APPEAL PROCESS OF FINES**

561 A Participant has the right to appeal a fine for late submission, picture, pending or sold information. The proper form  
562 must be submitted to the Association within 30 days of the invoice due date. The fine would appear on the  
563 Participant's monthly statement.

564  
565 **CONFIDENTIALITY OF MLS INFORMATION**

566  
567 **Section 12. CONFIDENTIALITY OF MLS:**

568 Any information provided by the MLS to the Participants shall be considered official information of the MLS. Such  
569 information shall be considered confidential and exclusively for the use of Participants, real estate licensees affiliated  
570 with such Participants, and those Participants who are licensed or certified by an appropriate state regulatory agency  
571 to engage in the appraisal of real property and licensed or certified appraisers affiliated with such participants.

572  
573  
574 **Section 12.1 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:**

575 The information published and disseminated by the MLS is communicated verbatim, without change by the  
576 Association/MLS, as input in the MLS by the Participant. The listing broker is ultimately responsible for verifying  
577 that the information is entered correctly into the MLS system. The Association/MLS does not verify the information  
578 provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Association/MLS  
579 harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

580  
581 **Section 12.2 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION:**

582 Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising,  
583 land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive all  
584 information other than current listing information that is generated wholly or in part by the MLS including

585 “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive  
586 use of Association Members, and individuals affiliated with Association Members who are also engaged in real estate  
587 business. This information may not be transmitted, retransmitted or provided in any manner to any unauthorized  
588 individual, office or firm except as otherwise provided in these Rules and Regulations.

## 589 **OWNERSHIP OF NAAR MLS DATA COMPILATIONS AND COPYRIGHTS**

### 591 **Section 13:**

592 By the act of submitting any property listing content to the MLS, the Participant represents that he has been authorized  
593 to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted  
594 MLS, data and also in any statistical report on comparables. Listing content includes, but is not limited to,  
595 photographs, images, and graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks,  
596 narratives, pricing information, and other details or information related to the listed property.

### 598 **Section 13.1:**

599 All right, title and interest in compilations of the MLS data, created and copyrighted by the Northern Arizona  
600 Association of REALTORS® and in the copyrights therein, shall at all times remain vested in the Northern Arizona  
601 Association of REALTORS®.

### 603 **Section 13.2 Display:**

604 Each Participant shall be entitled to lease from the Northern Arizona Association of REALTORS® a number of copies  
605 of each MLS compilation sufficient to provide the Participant and each person affiliated as a licensee (including  
606 licensed or certified appraisers) with such Participant with a copy of such compilation. The participant shall pay for  
607 each such copy of the rental fee set by the association.

608 Participants shall acquire by such lease only the right to use the MLS compilation in accordance with these rules.

## 611 **USE OF COPYRIGHTED MLS DATA**

### 612 **SECTION 14. DISTRIBUTION**

613 Participants shall at all times maintain control over the responsibility for each copy of any MLS data provided to them  
614 by the Association of REALTORS®, and shall not distribute any such copies to persons other than subscribers who  
615 are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state  
616 regulatory agency to engage  
617 in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the  
618 MLS. Use of information developed by or published by an association multiple listing service is strictly limited to the  
619 activities authorized under a participant’s licensure(s) or certification, and unauthorized uses are prohibited. Further,  
620 none of the foregoing is intended to convey participation or membership or any right of access to information  
621 developed or published by an association multiple listing service where access to such information is prohibited by  
622 law.

### 623 **Section 14.1 DISPLAY:**

624 Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS  
625 data to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready,  
626 willing and able buyers for properties described in said Association/MLS compilations.

634 **Section 14.2 REPRODUCTION:**

635 Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except in the  
636 following limited circumstances:

637  
638 Participants or their affiliated licensees may reproduce from the MLS data, and distribute to prospective purchasers, a  
639 reasonable number of single copies of property listing data contained in the MLS data which relate to any properties in  
640 which the perspective purchasers are or may, in the judgment of the Participant or their affiliated licensees, be  
641 interested.

642  
643 Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of  
644 properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or the  
645 affiliated licensees are seeking to promote interest, does not appear on such reproduction.

646  
647 Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or  
648 reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed  
649 for sale with the Participant.

650  
651 Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other  
652 form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant  
653 who are authorized to have access to such information. Such information may not be transmitted, retransmitted or  
654 provided in any manner to any unauthorized individual, office or firm.

655  
656 None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing  
657 information, "sold" information, "comparables", or statistical information from utilizing such information to support  
658 an estimate of value on a particular property for a particular client. However, only such information that the  
659 Association or the Association-owned MLS has deemed to be non-confidential and necessary to support the estimate  
660 of value may be reproduced and attached to the report as supporting documentation. Any other use of such  
661 information is unauthorized and prohibited by these Rules and Regulations.

662  
663  
664 **USE OF MLS INFORMATION**

665  
666 **Section 15. LIMITATIONS ON USE OF MLS INFORMATION:**

667 Use of information from the MLS compilation of current listing information, from the Association's "Statistical  
668 Report", or from any "sold" or "comparable" report of the Association/MLS for public mass-media advertising by an  
669 MLS Participant or in other public representation may not be prohibited.

670 However, any print or non-print forms of advertising or other forms of public representations based in whole or in part  
671 on information supplied by the Association or its MLS must clearly demonstrate the period of time over which such  
672 claims are based and must include the following notice or substantially similar notice:

673  
674 Based on information from the Northern Arizona Association of REALTORS®, Inc. (alternatively, from the Northern  
675 Arizona Association of REALTORS®, Inc. MLS) for the period (date) through (date). This representation is based in  
676 whole or in part on data supplied by the Northern Arizona Association of REALTORS® or its MLS. Neither the  
677 Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association  
678 or its MLS may not reflect all real estate activity in the market."

679  
680 **Section 16. CHANGES IN RULES AND REGULATIONS**

681 Amendments to the Rules and Regulations of the MLS may be amended by a simple majority vote of the members of  
682 the multiple listing service committee, subject to approval by the board of directors of the association of  
683 REALTORS®

684 **VIRTUAL OFFICE WEBSITE (VOW)**

685  
686 **Section 17. VOW DEFINED**

687 A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through  
688 which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant  
689 has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity  
690 to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-  
691 principal broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a  
692 VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and  
693 accountability.

694  
695 **(b)** As used in Section 18 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal  
696 brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s  
697 oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated  
698 by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a  
699 Participant.

700  
701 **(c)** “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on  
702 behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW  
703 Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf  
704 of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW  
705 on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the  
706 Participant on whose behalf the AVP operates a VOW.

707  
708 **(d)** As used in Section 18 of these Rules, the term “MLS Listing Information” refers to active listing information and  
709 sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

710  
711 **Section 17.1(a):** The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by  
712 the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in  
713 different MLSs may operate a master website with links to the VOWs of the other offices.

714  
715 **(b)** Subject to the provisions of the VOW Policy and these Rules, a Participant’s VOW, including any VOW operated  
716 on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data  
717 Exchange (“IDX”).

718  
719 **(c)** Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate  
720 permission from other MLS Participants whose listings will be displayed on the Participant’s VOW.

721  
722 **Section 17.2 (a):** Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her  
723 VOW, the Participant must take each of the following steps:

724  
725 **(i)** The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state  
726 law), including completion of all actions required by state law in connection with providing real estate brokerage  
727 services to clients and customers (hereinafter “Registrants”). Such actions shall include, but are not limited to,  
728 satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required  
729 agreements.

730  
731 **(ii)** The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send  
an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use

732 (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is  
733 valid and that the Registrant has agreed to the Terms of Use.

734 **(iii)** The Participant must require each Registrant to have a user name and a password, the combination of which is  
735 different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user  
736 name and password or may allow the Registrant to establish its user name and password. The Participant must also  
737 assure that any email address is associated with only one user name and password.

738 **(b)** The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal  
739 of the password. The Participant must at all times maintain a record of the name, email address, user name, and  
740 current password of each Registrant. The Participant must keep such records for not less than 180 days after the  
741 expiration of the validity of the Registrant's password.

742 **(c)** If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of  
743 MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the  
744 name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or  
745 violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

746 **(d)** The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or  
747 otherwise) to, a "Terms of Use" provision that provides at least the following:

748  
749 **(i)** That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;

750  
751 **(ii)** That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal,  
752 non-commercial use;

753  
754 **(iii)** That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered  
755 through the VOW;

756  
757 **(iv)** That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection  
758 with the Registrant's consideration of the purchase or sale of an individual property;

759  
760 **(v)** That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS  
761 database.

762  
763 **(e)** The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation  
764 agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant  
765 and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the  
766 Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not  
767 be accepted solely by mouse click.

768  
769 **(f)** The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly  
770 authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and  
771 monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as  
772 may be agreed to between the Participant and the Registrant.

773

774 **Section 18.1:** A Participant’s VOW must prominently display an e-mail address, telephone number, or specific  
775 identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to  
776 ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal  
777 broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries  
778 from Registrants about properties within the market area served by that Participant and displayed on the VOW.

779 **Section 18.2:** A Participant’s VOW must employ reasonable efforts to monitor for, and prevent, misappropriation,  
780 “scraping”, and other unauthorized use of MLS Listing Information. A Participant’s VOW shall utilize appropriate  
781 security protection such as firewalls as long as this requirement does not impose security obligations greater than  
782 those employed concurrently by the MLS.

783  
784 (NOTE: MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security  
785 measure required does not impose obligations greater than those employed by the MLS.)  
786

787 **Section 18.2 (a):** A Participant’s VOW shall not display listings or property addresses of any seller who has  
788 affirmatively directed the listing broker to withhold the seller’s listing or property address from display on the  
789 Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing  
790 or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to  
791 consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined  
792 not to have the listing for their property displayed on the Internet.

793 **(b)** A Participant who lists a property for a seller who has elected not to have the property listing or the property  
794 address displayed on the Internet shall cause the seller to execute a document that includes the following (or a  
795 substantially similar) provision:

796 **Section 18.3 (a):** Subject to subsection (b), a Participant’s VOW may allow third-parties (i) to write comments or  
797 reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with  
798 particular listings, or (ii)  
799 display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate  
800 conjunction with the listing  
801

802 **(b)** Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both  
803 of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall  
804 communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on  
805 all Participants’ websites. Subject to the foregoing and to Section 18.8, a Participant’s VOW may communicate the  
806 Participant’s professional judgment concerning any listing. A Participant’s VOW may notify its customers that a particular feature  
807 has been disabled "at the request of the seller."  
808

809 **Section 18.4:** A Participant’s VOW shall maintain a means (e.g., e-mail address, telephone number) to receive  
810 comments from the listing broker about the accuracy of any information that is added by or on behalf of the  
811 Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The  
812 Participant shall correct or remove any false information relating to a specific property within 48 hours following  
813 receipt of a communication from the listing broker explaining why the data or information is false. The Participant  
814 shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion,  
815 advice, or professional judgment.

816

817 **Section 18.5:** A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least  
818 once every three (3) days.  
819

820 **Section 18.6:** Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any  
821 other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the  
822 MLS Listing Information to any person or entity.  
823

824 **Section 18.7:** A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the  
825 ways in which information that they provide may be used.  
826

827 **Section 18.8:** A Participant's VOW may exclude listings from display based only on objective criteria, including, but  
828 not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing  
829 broker, and whether the listing broker is a REALTOR®.  
830

831 **Section 18.9:** A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS  
832 of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS  
833 Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS  
834 rules or policies.  
835

836 **Section 18.10:** A Participant may operate more than one VOW himself or herself or through an AVP. A Participant  
837 who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her  
838 behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and  
839 accountability of the Participant.  
840

841 **Section 18.11:** A participant's VOW may not make available for search by or display to Registrants any of the  
842 following information:  
843     a. Expired and withdrawn listings.  
844     b. The compensation offered to other MLS participants  
845     c. The type of listing agreement, i.e., exclusive right-to-sell or exclusive agency  
846     d. The seller's and occupant's name(s), phone number(s), or e-mail address(es)  
847     e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of  
848 listed property  
849

850 **Section 18.12:** A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW  
851 from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with  
852 additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as  
853 the source of such other information is clearly identified. This rule does not restrict the format of display of MLS  
854 Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the  
855 authorized information fields  
856

857 **Section 18.13:** A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing  
858 Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's  
859 VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.  
860

861 **Section 18.14:** A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the  
862 listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in  
863 typeface not smaller than the median typeface used in the display of listing data.  
864

865 **Section 18.15:** A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to  
866 not more than 10 % current listings and not more than 10% sold listings in response to any inquiry.  
867

868 (Note: The number of listings that may be viewed, retrieved, or downloaded should be specified by the MLS in the  
869 context of this rule but may not be fewer than 100 listings or 5% of the listings in the MLS, whichever is less.)  
870

871 **Section 18.16:** A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.  
872

873 **Section 18.17:** A Participant may display advertising and the identification of other entities ("co-branding") on any  
874 VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any  
875 such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be  
876 presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one  
877 Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in  
878 immediate conjunction with that of every other party, and the logo and contact information of all Participants  
879 displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.  
880

881 **Section 18.18:** A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources,  
882 including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.  
883

884 **Section 18.19:** Participants and the AVPs operating VOWs on their behalf must execute the license agreement  
885 required by the MLS.  
886

887 **Section 18.20:** Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the  
888 address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided  
889 to the MLS within 48 hours. (adopted 11/03/08)  
890

## 891 892 893 **INTERNET DATA EXCHANGE (IDX) RULES** 894

### 895 **Section 19. IDX DEFINED:**

896 IDX affords MLS participants the ability to authorize limited electronic display of their listings by other participants.  
897 (Amended 5/12)..  
898

### 899 **Section 19.1 AUTHORIZATION.**

900 Participants' consent for display of their listings by another participant pursuant to these rules and regulations is  
901 presumed unless a participant affirmatively notifies the MLS that the participant refused to permit display (either on a  
902 blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that  
903 participant's listings, that participants may not download, frame or display the aggregated MLS data of other  
904 participants. Even where participants have given blanket authority for other participants to display their listings on  
905 IDX sites, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet  
906 display.  
907

### 908 **Section 19.2 PARTICIPATION.**

909 Participation in IDX is available to all MLS participants engaged in real estate brokerage who consent to display their  
910 listings by other participants.  
911  
912  
913

914 **Section 19.2.1**

915 Participants must notify the MLS of their intention to display IDX information and must give the MLS direct access  
916 for purposes of monitoring/ensuring compliance with applicable rules and policies.

917  
918

919 **Section 19.2.2**

920 MLS participants may not use IDX-provided listing for any purpose other than display as provided for in these rules.  
921 This does not require participants to prevent indexing of IDX listings by recognized search engines

922  
923

923 **Section 19.2.3**

924 Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing  
925 broker to withhold their listing or the listing's property address from all display on the Internet (including, but not  
926 limited to publicly-accessible websites or VOWs.

927  
928

928 **Section 19.2.4**

929 Participants may select the listings they choose to display on their IDX sites based only on objective criteria including,  
930 but not limited to, factors such as geography or location ("uptown", "downtown," etc.), list price, type of property  
931 (e.g., condominiums, cooperatives, single family detached, multi-family), cooperative compensation offered by listing  
932 brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the  
933 listing firm. Selection of listing displayed on any IDX site must be independently made by each participant.

934  
935

935 **Section 19.2.5**

936 Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once  
937 every twelve (12) hours.

938  
939

939 **Section 19.2.6**

940 Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or  
941 displaying IDX information as otherwise permitted may not distribute provide, or make any portion of the MLS  
942 database available to any person or entity. **(Amended 5/12)**

943  
944

944 **Section 19.2.7**

945 Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they  
946 operate in a readily visible color and typeface. For purpose of the IDX policy and these rules, "control" means the  
947 ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

948  
949

949 **Section 19.2.8**

950 Any IDX display controlled by a participant or subscriber that  
951 (a) allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such  
952 comments or reviews in immediate conjunction with particular listings, or  
953 (b) displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate  
954 conjunction with the listing, either or both of those features shall be disabled or discontinued with respect to the  
955 seller's listing at the request of the seller. The listing broker or agents shall communicate to the MLS that the seller  
956 has elected to have one or both of these features disabled or discontinued by all Participants'. Except for the  
957 foregoing and subject to paragraph 9, a Participant's IDX display may communicate the Participant's professional  
958 judgment concerning any listing. Nothing shall prevent an IDX display from notifying customers that a particular  
959 feature has been disabled at the request of the seller.

960  
961

961 **Section 19.2.9**

962 Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy  
963 of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that

964 relates to a specific property. The participant shall correct or remove any false date or information relating to a  
965 specified property upon receipt of a communication from the listing broker or listing agent for that property explaining  
966 why the data or information is false. However, the participant shall not be obligated to remove or correct any data or  
967 information that simply reflects good faith opinion, advice, or professional judgment.  
968

#### 969 **Section 19.2.10**

970 An MLS participant (or where permitted locally, an MLS subscriber) may co-mingle the listings of other brokers  
971 received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent  
972 with the IDX rules, and the MLS participant (or MLS subscriber) holds participatory rights in those MLSs. As used in  
973 this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data  
974 feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that  
975 participants may display listings from each IDX feed on a single webpage or display.  
976

#### 977 **Section 19.2.11**

978 Participants shall not modify or manipulate information relating to other participants’ listings. MLS participants may  
979 augment their IDX displays of MLS data with applicable property information from other sources to appear on the  
980 same webpage or display, clearly separated from the data supplied by the MLS. The source(s) of the information must  
981 be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS  
982 data display or display of fewer than all of the available listings or fewer authorized fields.  
983  
984

#### 985 **Section 19.3**

986 Display of listing information pursuant to IDX is subject to the following rules:  
987

988 **Note:** All of the following rules are optional but, if adopted, cannot be modified. Select those rules which apply to  
989 your IDX program and number the sections accordingly.  
990

#### 991 **Section 19.3.1**

992 Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other  
993 fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and  
994 users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be  
995 displayed.  
996

#### 997 **Section 19.3.2**

998 All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily  
999 visible color and typeface not smaller than the median used in the display of listing data. Displays of minimal  
1000 information (e.g., “thumbnails, text messages, “tweets”, etc., of two hundred [200] characters or less) are except from  
1001 this requirement but only when linked directly to display that includes all required disclosures.  
1002

#### 1003 **Section 19.3.3**

1004 All listing displayed pursuant to IDX shall identify the listing agent.  
1005

#### 1006 **Section 19.3.4**

1007 Non-principal brokers and sales licensees affiliated with IDX participants may display information available through  
1008 IDX on their own websites subject to their participant’s consent and control and the requirements of state law and/or  
1009 regulation.  
1010  
1011  
1012

1013 **Section 19.3.5**

1014 All listing displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal  
1015 information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt  
1016 from this requirement but only when linked directly to a display that includes all required disclosures.  
1017

1018 **Section 19.3.6**

1019 Participants (and their affiliated licensees, if applicable) shall indicate on their website that IDX information is  
1020 provided exclusively for consumers’ personal, noncommercial use, that it may be used for any purpose other than to  
1021 identify prospective properties consumers may be interested in purchasing, and that the data is deemed reliable but is  
1022 not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to  
1023 protect participants and/or the MLS from liability. Displays of minimal information (e.g., “thumbnails”, text messages,  
1024 “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly  
1025 to a display that includes all required disclosures. (Amended 5/12)  
1026  
1027

1028 **Section 19.3.7**

1029 The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no  
1030 instance shall be limited to fewer than one hundred (100) listings or five percent (5%) of the listings available for IDX  
1031 display, which is fewer. (Amended 5/12)  
1032  
1033

1034 **Section 19.3.8**

1035 The Right to display other participants’ listings pursuant to IDX shall be limited to a participant’s office(s) holding  
1036 participatory rights in this MLS.  
1037

1038 **Section 19.3.9**

1039 Display of expired and withdrawn listings is prohibited.  
1040

1041 **Section 19.3.10**

1042 Display of seller’s(s) and/or occupant’s(s) name(s), phone numbers(s), and e-mail address(es) is prohibited.  
1043

1044 **Section 19.3.11**

1045 Advertising (including co-branding) on pages displaying IDX-provided listings are prohibited.  
1046

1047 **Section 19.4 Service Fees and Charges**

1048 Service fees and charges (if any) for participation in IDX shall be established annually by the Board of Directors  
1049

# MLS Penalty Policy

## Summary of Penalty Process

Potential violations of the MLS Rules and Regulations are reported to or by NAAR staff in a variety of ways. A Subscriber may report a potential violation using the "Report an Error" link located on each listing, or through other means of communication. NAAR may require that verbal or phone reports be reduced to writing before action is taken. Additionally, NAAR staff may find potential violations by randomly checking listings or by researching listings due to another violation that has been reported. Not all violations will incur a penalty, as described herein. (revised June 2019)

### SECTION 1 - Initiators of Alleged Violations:

Alleged violations of the MLS Rules and Regulations must be made in writing and may be initiated by:

- a. Member(s) of NAAR
- b. NAAR Staff

Violations may also be reported through the on-line MLS system using the tools available there for reporting violations.

### Categories of Alleged Violations:

If a violation occurs, it will fall into one of the following categories:

- a. Non-Penalty Violations
- b. Penalty Violations
- c. Lockbox and Electronic Key Violations

### SECTION 2 – Non-Penalty Violations

Non-Penalty Violations are primarily factual errors that lead to inaccurate listing data and often affect other fields or calculations within the listing. These violations do not incur a penalty. Some examples of Non-Penalty violations include, but are not limited to, the following:

<b>Rule</b>	<b>Infraction</b>
Types of Property	Incorrect Property Type
Data Accuracy	Incorrect Square Footage (assessor attributed)
Data Accuracy	Incorrect Dwelling Type
Data Accuracy	Incorrect Assessor Number
Data Accuracy	Incorrect Lot Size Ranges (assessor attributed)
Disclosures	Failure to disclose Owner-Agent
Disclosures	Failure to disclose construction options (i.e. lot premium and finishes) will increase price

When one of the Non-Penalty Violations listed above is alleged, the NAAR staff will make the correction immediately where applicable. Staff will send a notice of the correction made, by email only, to the Subscriber with copy to the Participant.

### **SECTION 3 - Penalty Violations**

Penalty Violations are those that cannot be corrected by staff. Examples of such violations include, but are not limited to, the following:

<b>Rule</b>	<b>Infraction</b>
Types of Property	Late Entry of a New Listing
Access Credentials	Allowing MLS access by unauthorized person(s)
Access Credentials	Unauthorized use of Subscriber's User ID and password.
Full Participation	Non-subscribing Licensee – Penalty imposed on Participant if found.
Listing Agreement	Active Listing without Valid Listing Agreement
Accuracy	Incorrect Sales Price Data
Accuracy	Misuse of Data with Intent to Mislead
Duplicate Listings	Duplicate Listing by same Agent/Broker
Media Violation	Contact information in any media
<b>Rule</b>	<b>Infraction</b>
Media Violation	Unauthorized copied media
Photo Submission	Failure to submit photo or rendering <b><i>of actual property</i></b> within allowed period.
Listing Status	All Incorrect Listing Statuses
Advertising	Advertising the Listing of Another Broker without permission
Prohibitions	Unauthorized Distribution of Data
Remarks	Inappropriate use of remarks fields (e.g. violations of fair housing, safety issues, security, contact information, and compensation disclosures or discussions)
Reproduction	Unauthorized duplication or reproduction of compilation

When one of the violations listed above is found the NAAR staff will send a notice of violation, by email only, to the Agent with copy to the Broker. Staff will make the correction immediately where applicable. If the violation found is not correctable by staff, the notice of violation will require the Agent to make the correction by the due date stated in the notice (7 days). If the violation remains on the eighth day, after the violation notice is sent, a subsequent violation shall be deemed to have occurred and the process will repeat. When multiple violations are found in the same listing, they shall be treated as one violation and the most severe penalty available for any of the individual violations shall apply. When multiple listings for the same Agent are found or reported within short and reasonable period of time (e.g. one week), each listing shall be treated as an individual violation, however all shall be subject to the same incremental level of fine or penalty.

**SECTION 4 – Penalty and Increments**

Penalties are levied for violations listed under the Penalty Violations category based on the cumulative number of violations sent to the Agent within the most recent six (6) months.

Penalties associated with each increment of violations are as follows:

**1st Violation:** electronic letter of warning (copy to broker), \$0 fine assessed. .

**2nd Violation:** \$75 fine assessed.

**3rd Violation:** \$150.00 fine assessed.

**4th Violation:** \$225.00 fine assessed

*The penalty schedule is per offense. Fines are billed to the Broker, and are due within 10 (ten) days of fine being assessed.*

**SECTION 5 – Lockbox and Electronic Key Violations and Fines**

Violations involving Electronic Keys and Lockboxes are more serious in nature, and fall into a separate category. Examples of such violations are as follows:

<b>Auto Y/N</b>	<b>Rule Section</b>	<b>Infraction</b>
<b>Yes</b>	Lockbox	Removal of Key from Property/Failure to return key <b>(\$75.00)</b>
<b>Yes</b>	Lockbox	Carrying PIN with Lockbox Key or inside case <b>(\$75)</b>
<b>Yes</b>	Lockbox	Carrying PIN on Lockbox Key <b>(\$75)</b>
<b>Yes</b>	Lockbox	Disclosure of lockbox Code(s) in Public Remarks <b>(\$75)</b>
<b>No</b>	Lockbox	Failure to Remove Lockbox Within 72 hours of property closing <b>(\$75.00)</b>

**Repeat violations of section 5 will incur higher fines and suspension of privileges, according to actions by the Board.**

**Following examples pertain to first offenses:**

**\*\*Note: This applies to both the Keyholder and Key User**

<b>Yes</b>	Lockbox	Failure to use the endorsed Keybox System (Supra) on Properties in NAML (\$200)
<b>Yes</b>	Lockbox	Unauthorized use of Lockbox Key (allowing key to be used by another key-subscriber) <b>(First offense is \$300)</b>
<b>Yes</b>	Lockbox	Unauthorized use of Lockbox Key (allowing key to be used by licensee who is not a key-subscriber) <b>(First offense is \$500 and 30 days suspension)</b>
<b>Yes</b>	Lockbox	Unauthorized use of Lockbox Key (allowing key to be used by non- licensee) <b>(First offense is \$1000 and 30 days suspension)</b>
<b>Yes</b>	Lockbox	Special consideration of failure to comply with section 5

Lockbox and Electronic Key Violations are all considered Automatic except as noted above which will be considered Minor Violations. However, the number of violations and the severity of the penalties for each incremental violation are governed by a separate schedule. Unless otherwise indicated in the table of violations above, the fines for Lockbox/Key violations are as follows:

**First Violation - \$300**

**Second and subsequent Violations – Minimum of \$1000 up to a maximum of \$15,000 and/or suspension from MLS and/or Lockbox system for a minimum of 30 days and up to a maximum of one year**

## **SECTION 6 – New Construction Violation and Fines**

### **Rule**

Types of Property

Accuracy

### **Infraction**

New Construction

One APN per listing  
Must have address. If address not yet established, listing must have actual street name at a minimum

Listing must include accurate directions to actual APN listed

One plan and let per listings. Marketing remarks can state accurate info informing that other plans may be available on one particular lot at different pricing

No branding allowed on photos (including floorplans)

Listing must include photo of actual lot (does not have to be primary photo). Listing photo must be update with accurate building photo upon completion and obtaining Certificate of Occupancy

### **Penalty and Increments**

**1<sup>st</sup> Violation:** written warning

**2<sup>nd</sup> Violation:** if not corrected within 48 hour written notice, fine of \$150/listing/day for the first 14 days until ALL listings have been corrected. Not to exceed \$15,000.

**3<sup>rd</sup> Violation:** inactivation of ALL uncorrected listings until correct info sent to NAAR for a correction at a fee of \$50/listing.

## **Section 7 – Notice Process**

For all violations, a notice will be sent to the listing Subscriber and the MLS Participant of the Subscriber.

For **Non-Penalty** and **Penalty Violations**, notice will be sent only by email to the email address on file with NAAR. However, if the email is returned undeliverable or when a Subscriber does not have a valid, working (including if the returned message states the Subscriber's email account is full), or current email address on file with NAAR the written notice will be sent via the US Postal Service to the office addresses on file with NAAR.

For **Lockbox and Electronic Key Violations** a written notice will be sent by both email and US Postal Service to the office addresses on file with NAAR.

For **Minor** lockbox violations, if the violation is corrected by the Subscriber before the due date stated in the Violation Notice (5 days), a fine will not be imposed. If the violation is not corrected within the five day period on the sixth day, a fine is imposed and an invoice for the fine amount is sent. Furthermore after the fine amount is sent and the violation remains a subsequent violation shall be deemed to have occurred and the process will repeat.

Failure to maintain a current and accurate email address, home postal mailing address, or office postal address on file with NAAR will not exempt any Subscriber from having been sent notice, nor may the absence of a current and accurate mailing address of any kind be used as the grounds for appeal.

***All invoices sent to Subscribers for violations of the Rules shall be due to be paid in full 10 days from the date of the invoice.*** The actual due date shall be included on the invoice. For suspensions due to repeat violations of Rule Section 7 (Lockbox and/or Access System) violations, for reasons other than failure to pay a fine, the MLS Committee shall be informed of the infraction, the violation history of the Subscriber (only to the extent that supports the calculation of the current penalty level), and any other pertinent factual information regarding the incident, and shall determine the duration of suspension that is warranted. The MLS Committee will make recommendation to the Board of Directors for an appropriate discipline and the Board of Directors shall make the final determination of the discipline as outlined in this Penalty Policy.

Notices required under this Policy shall be delivered according to Section 9 of the Rules and Regulations, which reads in part as follows:

Any notices required or permitted by these Rules to be sent by NAAR may be sent by either of the following two methods.

By e-mail to either the e-mail address on file in the NAAR Roster Database or via internal e-mail delivery through the MLS system. Electronic messages are instantaneous. Therefore, Notice shall be deemed to have been constructively delivered at the time the e-mail message is sent to the recipient.

By U.S. Postal Service ("USPS") mail to a postal address on file for a Subscriber or Participant at the postal address shown for the Participant's office in the NAAR Roster Database. Notice shall be deemed to have been constructively delivered two (2) USPS Service Days after being deposited in the USPS system for delivery.