

**MULTIPLE LISTING MLS**  
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**COASTAL CAROLINAS ASSOCIATION OF REALTORS®, INC.**  
**MULTIPLE LISTING (MLS) RULES AND REGULATIONS**

**I. LISTING PROCEDURES**

**SECTION 1.1 LISTING PROCEDURES:** Listing of real or personal property of the following types which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the Multiple Listing Service (MLS), and are taken by Participants on *(Indicate form(s) of listing accepted by the MLS – See Notes 1 & 2)* shall be entered into MLS system within three (3) business days after all necessary signatures of seller(s) have been obtained:

- (a) Single family home for sale or exchange.
- (b) Single family condominium or townhouse for sale or exchange.
- (c) Vacant lots and acreage for sale or exchange.
- (d) Multi-family residential buildings for sale or exchange.

**NOTE 1:** The MLS 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 MLS. However, the MLS, through its legal counsel:

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

The MLS 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 cooperation and compensation to the other Participants of the MLS acting as subagents, buyer agents, or both.

The listing agreement must include the seller's authorization to submit the agreement to the MLS.

3. The different types of listing agreement(s) include:
  - (a) Exclusive Right to Sell
  - (b) Exclusive Agency
  - (c) Open
  - (d) Net

The MLS may not accept net listings because (1) they are deemed unethical and, in most states, illegal. Open listings are not accepted except where they are required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

The exclusive right to sell listing is the conventional form of listing submitted to the MLS in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general

right to sell the property on an unlimited or restricted basis. 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 for 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 no 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 2:** A 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 MLS 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 handled outside the MLS.

**Note 3:** A MLS may, as matter of local option, accept exclusively listed property that is subject to auction.

**TYPES OF PROPERTIES:** 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 entered into with the MLS and other types that may be entered into with 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:

1. Residential
2. Condominium and Townhouses
3. Subdivided Vacant Lot
4. Land and Ranch
5. Business Opportunity
6. Motel-Hotel
7. Mobile Homes
8. Mobile Home Parks
9. Commercial Income
10. Industrial

**SECTION 1.2 LISTINGS SUBJECT TO RULES AND REGULATIONS OF MLS:** Any listing taken on a contract to be entered into with the MLS is subject to the Rules and Regulations of the MLS upon signature of the seller(s).

**SECTION 1.3 DETAIL ON LISTINGS ENTERED INTO WITH THE MLS:** A Listing Agreement or Property Data Form, when entered into with the MLS by the listing broker, shall be completed in every detail which is ascertainable as specified on the Property Data Form. Listings must be entered into the MLS within three business days.

A primary photo must accompany a listing when entered into the MLS on all classes with the exception of the Land property class. A primary photo must be the front view of the property and cannot include any for sale signs, agent or office logos, or any other form of contact information. If the participant or the employee of the participant has taken the photographs, the participant will own the copyright to the photographs. Unauthorized use of copyright material in the MLS is prohibited. Failure to comply with the above statements will result in an automatic \$50.00 fine and possible deletion of the listing.

**SECTION 1.4 EXEMPTED LISTINGS:** If the seller refuses to permit the listing to be disseminated by the MLS, the REALTOR may then take the listing as “office exclusive”. A copy of the Exclusive Right To Sell Contract and the Addendum to The Exclusive Right To Sell Contract must be signed by the seller and filed with the MLS Department within three business days. However, all listings regardless of exemption must be entered in the MLS within three business days of the closing.

**SECTION 1.5 EXEMPTION OF OWNERS NAME:** If the seller wishes not to have his/her name published in the MLS, the Listing Agent must file a copy of the Exclusive Right To Sell Contract with the MLS Department signed by both agent and seller.

**SECTION 1.6 CHANGE OF STATUS OF LISTING:** Any change in listed price, listing status or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be entered into the MLS within three business days after the authorized change is received by the listing broker.

**SECTION 1.7 WITHDRAWAL OF A LISTING PRIOR TO EXPIRATION:** A listing may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement provided notice is filed with the listing office. Once mutual agreement is reached between the seller and the listing broker, listing should be withdrawn immediately.

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

**SECTION 1.8 CONTINGENCIES APPLICABLE TO LISTINGS:** Any contingency or conditions of any term in a listing shall be made known to the Participants.

**SECTION 1.9 LISTING PRICE SPECIFIED:** The full gross listing price should be stated in the contract.

**SECTION 1.10 LISTING MULTIPLE UNIT PROPERTIES:** All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and on the Property Data Form. When part of a listed property has been sold, proper notification should be given to the MLS within three business days.

**SECTION 1.11 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS:** The MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for MLS to be rendered by Participants. Further, the MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and Non-Participants.

**SECTION 1.12 EXPIRATION OF LISTINGS:** Listings entered into the MLS will automatically expire on the expiration date. Extensions and renewals of listings must be signed by the seller(s) and filed with the listing office.

**SECTION 1.13 TERMINATION DATE ON LISTINGS:** Listings entered into the MLS shall bear a definite and final termination date as negotiated between the listing broker and the seller.

**SECTION 1.14 JURISDICTION:** Only listings of the designated types of property located within the jurisdiction of the MLS are required to be entered into the MLS. Listings of property located outside the MLS's jurisdiction will be accepted if submitted voluntarily by a Participant, but cannot be required by the MLS.

**SECTION 1.15 LISTINGS OF SUSPENDED PARTICIPANTS:** When a Participant of the MLS is suspended from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees, or charges), all listings currently entered into the MLS by the suspended Participant shall, at the MLS's option, be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees, or charges, an Association's MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised in writing of the intended removal so that the suspended Participant may advise his/her clients.

**SECTION 1.16 LISTINGS OF EXPELLED PARTICIPANTS:** When a Participant of the MLS is expelled from the MLS for failing to abide by a membership duty (i.e. violation of the Code of Ethics, Association's Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees, or charges) all listings currently entered into the MLS shall, at the MLS's option, be retained in the MLS until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a Participant has been expelled from the Association (except where MLS participation without the Association's membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association's MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings from the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised in writing of the intended removal so that the expelled Participant may advise his/her clients.

**SECTION 1.17 LISTINGS OF RESIGNED PARTICIPANTS:** When a Participant resigns from the MLS; the MLS is not obligated to provide service, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised in writing of the intended removal so that the resigned Participant may advise his/her clients.

**SECTION 1.18 NEW HOME COMMUNITY PHOTO AND LISTING RULES AND REGULATIONS:** At the time of contract for the type of home to be built on a specific lot, that listing must be entered into the MLS system with a status of Pending. An UNDER CONSTRUCTION logo, an artist rendering, or a photo of a similar home must be used as a primary photo until a certificate of occupancy is issued. At that time, a photo of the actual home must be entered. Any changes to the original contract must be entered at the time of closing.

**SECTION 1.19 VIRTUAL TOURS:** Virtual Tours used in the MLS must not contain contact information, agent photo, office logo, links to other web sites, or other information that can be considered branding.

## **II. SELLING PROCEDURES**

**SECTION 2.1 SHOWINGS AND NEGOTIATIONS:** Appointments for showings and negotiations with the seller for the purchase of listed property entered into with the MLS shall be conducted through the listing broker except under the following circumstances:

- (a) The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- (b) After reasonable effort, the cooperating broker cannot contact the listing broker or his representative. However, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

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

**SECTION 2.3 SUBMISSION OF WRITTEN OFFERS:** The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

**SECTION 2.4 RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER:** Cooperating participants or their representatives have the right to participate in the presentation of any offer they secure to purchase or lease to the seller or lessor. They do not have the right to be present at any discussion or evaluation of the offer by the seller or lessor and the listing broker. However, if a seller or lessor gives written instructions to a listing broker that cooperating brokers may not be present when offers they procure are presented, cooperating brokers have the right to a copy of those instructions. This policy is not intended to affect listing brokers' right to control the establishment of appointments for presentation of offers.

**SECTION 2.5 RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER:** Listing participants or their representatives have the right to participate in the presentation of any counter-offer made by a seller or lessor. They do not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except where the cooperating broker is a subagent). However, if a purchaser or lessee gives written instructions to the cooperating broker that the listing broker may not be present when a counter-offer is presented; the listing broker has a right to a copy of those instructions.

**SECTION 2.6 REPORTING SALES TO THE MLS:** Status changes, including final closing of sales, shall be reported to the MLS by the listing broker within 3 business days after they have occurred. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report

accepted offers to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 3 business days after receiving notice from the cooperating broker.

**NOTE:** The listing agreement of a property entered into with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; to enter the listing into the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of sales transaction, the listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its Participants.

**SECTION 2.7 REPORTING RESOLUTIONS OF CONTINGENCIES:** The listing broker shall enter into the MLS within three business days that a contingency on file with the MLS has been fulfilled or renewed, or the agreement cancelled.

**SECTION 2.8 ADVERTISING OF LISTING ENTERED INTO WITH THE MLS:** A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

### **III. REFUSAL TO SELL**

**SECTION 3.1 REFUSAL TO SELL:** If the seller of any listed property filed with the MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the MLS and to all participants.

### **IV. PROHIBITIONS**

**SECTION 4.1 MISUSE OF PUBLIC REMARKS OR PUBLIC ADDENDUM SECTION:** Participants may not use the "Public Remarks" or "Public Addendum" section in a listing submitted to the MLS for contact information, website information, financial information of any kind or any language that may be considered private or harmful.

**SECTION 4.2 INFORMATION FOR PARTICIPANTS ONLY:** Any listing filed with the MLS shall not be made available to any non-participant without prior consent of the listing broker.

**SECTION 4.3 "FOR SALE" SIGNS:** Only the "For Sale" sign of the listing broker may be placed on a property.

**SECTION 4.4 "SOLD" SIGNS:** Prior to closing, only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

**SECTION 4.5 SOLICITATION OF LISTING ENTERED INTO WITH THE MLS:** Participants shall not solicit a listing on property entered into with the MLS unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

**NOTE:** This section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This Section is intended to encourage sellers to permit

their properties to be entered into the MLS by protecting them from being solicited, prior to expiration of the listing, by brokers and salespersons seeking the listing upon its expiration.

The section is also intended to encourage brokers to participate in the MLS by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property.

This Section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of Practice related to Article 16 of the Code of Ethics.

## **V. DIVISION OF COMMISSIONS**

**SECTION 5 COOPERATIVE COMPENSATION SPECIFIED ON EACH LISTING:** The listing broker shall specify, on each listing entered into 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 the 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 the 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.

**NOTE 1:** In entering a property into the MLS of the Association of REALTORS®, the Participant of the MLS is making a blanket unilateral offer of cooperation to the other MLS Participants, and shall therefore specify on each listing entered into the MLS, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary, because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.

\*

The listing broker retains the right to determine the amount of compensation offered to subagents and to buyer agents, which may be the same or different.

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

\*While offers of compensation made by listing brokers to cooperating brokers through MLS are unconditional (except where MLS rules create specific exceptions as specified elsewhere in this policy statement), a listing broker's obligation to compensate a cooperating broker who was 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.

The MLS shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract, and the MLS shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The MLS shall not disclose in any way the total commission negotiated between the seller and the listing broker.

The compensation specified on listings entered into the MLS shall appear in one of two forms. The essential and appropriate requirement by the MLS 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. 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.

The MLS shall not publish listings that do not include an offer of compensation expressed as a percentage of the gross selling price or as a definite dollar amount, nor shall they include general invitations by listing brokers to other Participants to discuss terms and conditions of possible cooperative relationships.

**NOTE 2.** The MLS, at its discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval or to lender approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court or by a lender. In such instances, the fact that the gross commission is subject to court or to lender approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they produce an offer that ultimately results in a successful transaction.

**NOTE 3.** The listing broker may, from time to time, adjust the compensation offered to other MLS Participants for their services with respect to any listing by advance published notice to the MLS so that all Participants will be advised.

**NOTE 4.** The MLS shall make no rule on the division of commissions between Participants and Non-Participants. This should remain solely the responsibility of the listing broker.

**NOTE 5.** The MLS must give participants the ability to disclose to other participants any potential for a short sale. As used in MLS rules, short sales are defined as a transaction where title transfers, where the sales price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. The MLS may, as a matter of local discretion, require participants to disclose short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they must also be permitted to communicate to other participants how any reduction in the gross commission established in the listing contract by the lender as a condition of approving the sale will be apportioned between the listing and cooperating participants. All confidential disclosures and confidential information related to short sales must be communicated through dedicated fields or confidential “remarks” available only to participants and subscribers.

**SECTION 5.0.1 DISCLOSING POTENTIAL SHORT SALES:** Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants.

When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between listing and cooperating participants.

**SECTION 5.1 PARTICIPANT AS PRINCIPAL:** If a Participant or any licensee affiliated with a Participant has any interest in property, the listing of which is to be disseminated through the MLS, that a person shall disclose that interest when the listing is entered into the MLS and such information shall be disseminated to all MLS Participants.

**SECTION 5.2 PARTICIPANT AS PURCHASER:** If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed in writing to the listing broker no later than the time an offer to purchase is submitted to the listing broker.

**SECTION 5.3 DUAL OR VARIABLE RATE COMMISSION ARRANGEMENTS:** The existence of a dual or variable rate commission arrangement (i.e. one in which the seller agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker, or one in which the seller agrees to pay a specified commission if the property is sold by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale results through the efforts of the seller) shall be disclosed by the listing broker as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction, or alternatively in a sale that results through the efforts of the seller. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease.

## **VI. MLS CHARGES AND FINES**

**SECTION 6.1 MLS FEES AND CHARGES:** The MLS charges for operation of the MLS are in effect to defray the costs of the MLS and are subject to change from time to time.

**SECTION 6.2 INITIAL PARTICIPATION FEE:** An applicant for participation in the MLS shall pay an application fee of \$500 with such fee to accompany the application and is a non-refundable fee.

**SECTION 6.3 RECURRING PARTICIPATION FEE:** The monthly participation fee of each Participant shall be an amount recommended by the MLS Committee and approved by the Officers and Directors. This amount will be times each salesperson and licensed or certified appraiser who has access to and use of the MLS, whether licensed as broker, sales licensee or licensed or certified appraiser, who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made on or before the first day of the month. Users will be billed \$25 for each listing that the Association Office enters into the MLS.

**SECTION 6.4 FINES:** A fine will be assessed to those Participants who do not submit listings, sales, pendings, changes, or corrections to the MLS in accordance with the Violation Fines, Appendix B of the MLS Rules and Regulations. If listing(s) has not been corrected in the allotted time, MLS service may be suspended for the entire office until the correction(s) are made per the discretion of the MLS Chair.

**SECTION 6.5 LOCK BOX FEE:** The fee for each lock box shall be at cost plus 10%, which shall accompany the request.

**SECTION 6.6 LOCK BOX KEY FEE:** An initial deposit of \$100 for the display key plus a non-refundable \$80 activation fee. Deposits for replacement keys reported stolen shall be the current cost of a new key accompanied by a copy of the police report provided by the key holder. The MLS must be notified immediately of all lost keys. If, at the time of inventory, a key is unaccounted for, or if a key holder refuses or is unable to demonstrate that the key is within their physical control, then the key will be considered unaccounted for and any funds on deposit will be forfeited to the Association.

**SECTION 6.7 MISUSE OF LOCK BOX KEY:** Use of the lock box key must comply with the showing instructions as specified in the MLS listing. Any violation may result in the loss of lock box key privileges as well as a fine to be determined by the MLS Chair.

## **VII. COMPLIANCE WITH RULES**

**SECTION 7.1 COMPLIANCE WITH RULES:** The following action may be taken for non-compliance with the rules:

- (a) For failure to pay any MLS charge, fee, or fine within thirty (30) days of the date due, and provided that at least ten (10) days notice has been given, the MLS shall be suspended until charges, fees, or fines are paid in full. Upon the first occurrence, any MLS Participant who's MLS has been suspended must pay a \$100 re-instatement fee plus any charges, fees, dues or fines that are past due. Upon the second occurrence, the re-instatement fee will be \$200.00. Further action will be taken in accord with Article X, Section 5 of the Bylaws of the Association.
- (b) For failure to comply with any other rule, the provisions of Sections 9 and 9.1 shall apply.

**SECTION 7.2 APPLICABILITY OF RULES TO USERS AND/OR SUBSCRIBERS:** Non-principal brokers, sales licensees, appraisers, and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use

of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the Rules and/or any sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

## **VIII MEETINGS**

**SECTION 8.1 MEETINGS OF MLS COMMITTEE:** The MLS Committee shall meet for the transaction of its business at a time and place to be determined by the committee or the call of the Chair.

**SECTION 8.2 MEETINGS OF MLS PARTICIPANTS:** The Committee may call meetings of the Participants in the MLS to be known as meetings of the MLS.

**SECTION 8.3 CONDUCT OF THE MEETINGS:** The Chair shall preside at all meetings or, in their absence; a temporary Chair from the membership of the Committee shall be named by the Chair or, upon his/her failure to do so, by the Committee.

## **IX. ENFORCEMENT OF RULES OR DISPUTES**

**SECTION 9.1 CONSIDERATION OF ALLEGED VIOLATIONS:** The Committee shall give consideration to all written complaints from Participants having to do with violations of the Rules and Regulations.

**SECTION 9.2 VIOLATIONS OF RULES AND REGULATIONS:** If the alleged offense is a violation of the Association Bylaws or Rules and Regulations of the MLS and such charge does not include alleged violations of the Code of Ethics or the Standards of Conduct for MLS Participants, or request for arbitration, it may be administratively considered and determined by the MLS Committee or Association Board of Directors. If a violation is determined, the Committee or the Association Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Association in accordance with the Bylaws and Rules and Regulations of the Association of REALTORS® within twenty (20) days following receipt of the Committee's decision. If the MLS Committee has a procedure established to conduct hearings, the decision of the MLS Committee tribunal may be appealed to the Board of Directors within twenty (20) days of the tribunal's decision being rendered. Alleged violations of the Code of Ethics or the Standards of Conduct for MLS Participants shall be referred to the Association's Grievance Committee for processing in accordance with the Professional Standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Association Board of Directors.

**SECTION 9.3 COMPLAINTS OF UNETHICAL CONDUCT:** All other complaints of unethical conduct shall be referred by the Committee to the Executive Vice President of the Association of REALTORS® for appropriate action in accordance with the Professional Standards procedures established in the Association's Bylaws.

## **X. CONFIDENTIALITY OF MLS INFORMATION**

**SECTION 10.1 CONFIDENTIALITY OF MLS INFORMATION:** Any information provided by the MLS to the Participants shall be considered official information of the MLS. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state or regulatory agency to engage in property management or the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

**SECTION 10.2 MLS NOT RESPONSIBLE FOR ACCURACY OF INFORMATION:** The information published and disseminated by the MLS is communicated verbatim, without change by the MLS, as entered into with the MLS by the Participant. The MLS does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the MLS harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

**SECTION 10.3 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION:** Association Members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations.

## **XI. OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS**

**SECTION 11.1 SUBMISSION OF PROPERTY:** By the act of submitting of any property listing content to the MLS, the Participant represents that he/she has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on “Comparables”. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

**SECTION 11.2 COPYRIGHTS:** All right, title, and interest in each copy of every MLS compilation created and copyrighted by the Coastal Carolinas Association of REALTORS® and in the copyrights therein, shall at all times remain vested in the Coastal Carolinas Association of REALTORS®, Inc.

**SECTION 11.3 ACCESS TO COMPILATION:** Each Participant shall be entitled to lease, print, or electronic copies from the Coastal Carolinas Association of REALTORS® a number of copies of each MLS Compilation\* sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such Compilation. The Participant shall pay, for each such copy, the rental fee set by the Association. Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules. \*\*

**NOTE:** \*The term MLS Compilation, as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants,

including, but not limited to, bound book, loose-leaf binder, computer data base, card file, or any other format whatever.

**NOTE:** \*\*This section should not be construed to require the Participant to lease a copy of the MLS Compilation for any licensee affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing and selling real property, and who does not, at any time, have access to nor use of the MLS information or MLS facility of the Association.

## **XII. USE OF COPYRIGHTED MLS COMPILATIONS**

**SECTION 12.1 DISTRIBUTION:** Participants shall, at all times, maintain control over and responsibility for each copy of any MLS Compilation leased to them by the Association of REALTORS®, and shall not distribute any such copies to persons other than persons who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association MLS is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed by or published by an Association MLS where access to such information is prohibited by law.

**SECTION 12.2 DISPLAY:** Participants, and those persons affiliated as licensees with such Participants, shall be permitted to display the MLS Compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing and able buyers for the properties described in said MLS Compilation.

**SECTION 12.3 REPRODUCTION:** Participants or their affiliated licensees shall not reproduce any MLS Compilation or any portion thereof except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS Compilation, and distribute to prospective purchasers, a reasonable\* number of single copies of property listing data contained in the MLS Compilation which relates to any properties in which the prospective purchasers are or may, in the judgement of the Participant or their affiliated licensees, be interested.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or their affiliated licensees, be interested.

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

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted, re-transmitted, or provided in any manner to any unauthorized individual, office, or firm. See Section XVII-Web Policy.

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

\*It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term "reasonable", as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchaser's decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent, and thus "reasonable" in number, shall include, but are not limited to: the total number of listings in the MLS Compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which should be shown to the prospective purchaser.

### **XIII. USE OF MLS INFORMATION**

**SECTION 13.1 LIMITATIONS ON USE OF MLS INFORMATION:** Use of information from the MLS compilation of current listing information, from the Association's "Statistical Report", or from any "sold" or "comparable" report of the Association or MLS for public mass-media advertising by an MLS Participant or in any other public representations may not be prohibited.

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

"This representation is based in whole or in part on data supplied by the Coastal Carolinas Association of REALTORS® or its MLS for the period (date) through (date). Neither the Association nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Association or its MLS may not reflect all real estate activity in the market."

### **XIV. CHANGES IN RULES AND REGULATIONS**

**SECTION 14.1 CHANGES IN RULES AND REGULATIONS:** Amendments to the Rules and Regulations of the MLS shall be by a majority vote of the Members of the MLS Committee, subject to the approval of the Board of Directors of the Association of REALTORS®.

## **XV. ORIENTATION**

**SECTION 15.1 ORIENTATION:** Any applicant for MLS Participation and any licensee affiliated with a MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

## **XVI. LOCK BOX SECURITY REQUIREMENTS**

**SECTION 16.1 LOCK BOX PROCEDURES:** Any lock box system shall be designated as either an activity of an Association of REALTORS® or an Association-owned and operated MLS. Listing agents are required to indicate one of the following during listing input:

- 'Yes' if using an Association approved lock box
- 'No' if using a lock box not approved by the Association
- 'No' if no lock box is used

The disclosure of PIN codes in the MLS is prohibited as well as inclusion of any information regarding a non-MLS issued lock box. Failure to comply with the above statements will result in a \$50.00 fine if not corrected within 24 hours.

**SECTION 16.2 LOCK BOX SECURITY:** Regardless of lock boxes in use, the publication of lock box combinations, key locations, or other entry information in the Public Remarks or Public Addendum is prohibited.

**SECTION 16.3 SELLERS AUTHORITY:** Lock boxes may not be placed on a property without authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose.

**SECTION 16.4 LEASE AGREEMENT:** Every REALTOR member and/or every MLS Participant and every non-principal broker, sales licensee and licensed or certified appraisers, and affiliate members that include only Pest Control and Home Inspectors shall be eligible to hold a key subject to their execution of a lease agreement with the Association and MLS.

Lease agreements shall spell out the responsibilities of the parties and shall incorporate by reference any applicable rules or regulations or other governing provisions of the Association or MLS that relate to the operation of the lock box system. The lease agreement shall also provide that keys may not be used under any circumstances by anyone other than the key holder.

No one shall be required to lease a key from the Association except on a voluntary basis. Keys may be leased to affiliate members actively engaged in a recognized field of real estate practice or in related fields. In such instances the lease agreement shall be signed by the key holder. Current records shall be maintained as to all keys issued and in inventory. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or, alternatively, by receipt of a statement signed by the key holder and the designated REALTOR, broker of record. This audit requirement does not apply to electronic lock box programmers or keypads that are sold or leased provided such devices may be deactivated within thirty (30) days.

**SECTION 16.5 LOCK BOX SUSPENSION:** Associations and MLS may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor if the crime, in the determination of the Association or MLS, relates to the real estate business or puts clients, customers or other real estate professionals at risk.

Associations or MLS may suspend the right of lock box key holders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of the Association or MLS, relates to the real estate business or which puts clients, customers or other real estate professionals at risk.

Factors that can be considered in making such determinations include, but are not limited to:

- a) The nature and seriousness of the crime
- b) The relationship of the crime to the purposes for limiting lock box access
- c) The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- d) The extent and nature of past criminal activity
- e) Time since criminal activity was engaged in
- f) Evidence of rehabilitation while incarcerated or following release and
- g) Evidence of present fitness

## **XVII. WEB POLICY**

**SECTION 17.1 WEB POLICY:** This Web Policy Section has been added to identify pre-existing sections that directly apply to the handling of MLS Compilations and Copyrights on Web sites and to put forth specific new policies directly related to the display of this Data.

The Following sections of the MLS Rules and Regulations directly relate to the display and or transmission of MLS data over the Internet or through Web Sites on the Internet.

SECTION 2.8	ADVERTISING OF LISTINGS ENTERED INTO WITH THE MLS
SECTION 4.2	INFORMATION FOR PARTICIPANTS ONLY
SECTION 10.1	CONFIDENTIALITY OF MLS INFORMATION
SECTION 11.1	SUBMISSION OF PROPERTY
SECTION 11.2	COPYRIGHTS
	<i>NOTE * OF SECTION 11</i>
SECTION 12.1	DISTRIBUTION
SECTION 12.2	DISPLAY
SECTION 12.3	REPRODUCTION
SECTION 17.1	WEB POLICY
SECTION 18	INTERNET DATA EXCHANGE (IDX)
SECTION 19	VIRTUAL OFFICE WEBSITES (VOW)

In order to facilitate the display of MLS Data on the Internet, the local Association or MLS has adopted the following policies and guidelines:

1) ALL members who wish to display MLS data on the Internet and wish to use an outside source, (i.e. someone other than the company/individual whose site and properties are to be displayed), must have the information fed to this third party source through the local Association or MLS.

NOTE: This is a description of the process for dissemination of this data. The Company/Agent who desires to have the information provided will acquire an agreement form from the MLS. The MLS has created separate and specific forms for the transmission of data to be used for IDX purposes and a VOW site. These agreements set forth the complete policy that must be adhered to between the

Company/Agent, the Vendor and the MLS. VERBAL AGREEMENTS AND CHANGES FROM THE STATED IDX AND VOW POLICY WILL NOT BE RECOGNIZED. The information transmitted will not be provided to any other sources without the prior consent of the Company/Agent, the local Association or MLS and that such data will not be combined with data obtained by this third party source and/or from others within the real estate community for compilation in any format whatsoever. The information displayed will not be modified from that which is transmitted. The DATA MUST be 'refreshed' at least once every seven (7) days. Participants must indicate on their websites that the information being provided is for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing. The Company/Agent must configure their websites to only allow the public to search and retrieve up to 100 listings per search.

Once this agreement is signed by all parties involved, it is to be forwarded to the local Association and/or MLS with a request to assign this third party source an ID# and password to obtain the upon agreed data. (The Company/Agent will indicate whether they desire just the primary or all photos to be included with the data). Within ten (10) working days, the MLS will create this password-protected access and inform both parties that the data is available for use.

2) The following fields are permitted for search or display for IDX sites and MUST include the listing company and listing agent (these must appear on ALL views that have resulted from a search, some common names for these are: Thumbnail view; more information view, detail view as well as others that may be used)

**Residential:** Price, Area, Type, Style, MLS#, Living Room Size, Great/Family Room Size, Dining Room Size, Kitchen Size, Master Bedroom Size, Other Bedroom Size, City, State, Zip, BR, BA/Half BA, Formal Dining Room, Style, Garage Type, Remarks, Garage Capacity, Ht Sq. Ft, Subdivision/Section, Room Dimensions, Stipulation of Sale, Features (not to include Possession, Type of Listing, Terms of Sale or Showing Instructions).

**Condo/Townhouse:** Price, Area, Type, City, State, Zip, BR, BA/Half BA, Htd. Sq. Ftg, Exterior Finishes, Style, Which Floor, Living Room Size, Great/Family Room Size, Dining Room Size, Kitchen Size, Master Bedroom Size, other Bedrooms Size, Parking, Furnished, Project/Section, Remarks, Stipulation of Sale, Features (not to include Possession, Type of Listing, Terms of Sale or Showing Instructions).

**Land:** Price, Area, Type, City, State, Zip, Number of Acres, Estimated Lot Size, Section/Subdivision, Zoning, Remarks, Stipulation of Sale, Features (not to include Possession, Type of Listing, Terms of Sale or Showing Instructions).

**Commercial:** Price, Area, Type, City, State, Zip, Sale/Lease, Present Use, Business Offered, Environmental Study, Wetlands, Underground Storage Tank, Designated Flood Plain, Total Parking Spaces, Bldg. Rented, In city, Remarks, Stipulation of Sale, Features (not to include Possession, Type of Listing, Terms of Sale or Showing Instructions).

**Multi-Family:** Price, Area, Type, City, State, Zip, Number of Units, Zoning, Remarks, Stipulation of Sale, Features (not to include Possession, Type of Listing, Terms of Sale or Showing Instructions).

3) All fields that may be used to share information with CLIENTS and are not deemed to be of a confidential nature may be displayed on or within a VOW site (with the following exceptions): Any fields that are not allowed under the VOW policy as adopted (see following pages). Those fields which have been deemed confidential MAY NOT be displayed on VOW sites.

NOTE: The listing information is copyrighted by and for the MLS and the listing company. The Broker-In-Charge owns the listing data, therefore, all requests for data feeds MUST be approved by the Broker-In-Charge (or Designated REALTOR). The Broker-In-Charge (or Designated REALTOR) and the Listing Agent should review any sites displaying company listings for accuracy and appropriateness and to insure compliance by the vendor. Any fines levied for failure to follow these policies (rules and regulations) will be assessed against the Broker-In-Charge AND the vendor. The Broker-In-Charge (or Designated REALTOR) will be notified of any violations for any company or agent website and will be given three business days to comply. If the site(s) do not comply within three business days of notification, MLS services will be SUSPENDED FOR THE COMPANY until the site(s) are brought into compliance.

## **XVIII. Internet Data Exchange (IDX)**

**Section 18:** IDX affords MLS participants the option of authorizing display of their active listings on other participants' Internet websites. Display of IDX information by third parties is contingent upon MLS Committee approval.

### **Section 18.1**

Participants' consent for display of their active listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download or frame the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on IDX sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

## **Section 18.2 Participation**

Participation in IDX is available to all MLS participants who consent to display of their listings by other participants.

### **Section 18.2.1**

Participants must notify the MLS of their intention to establish an IDX site and must make their site directly accessible to the MLS for purposes of monitoring/ensuring compliance with applicable rules and policies.

### **Section 18.2.2**

Participants must protect IDX information from misappropriation by employing reasonable efforts to monitor and prevent “scraping” or other unauthorized accessing, reproduction, or use of the MLS database.

### **Section 18.2.3**

Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) shall not be accessible via IDX sites. Notwithstanding this prohibition, listing brokers may display on their IDX sites or their other website(s) the listing or property address of consenting sellers.

### **Section 18.2.4**

Participants may select the listings they choose to display on their IDX sites based only on objective criteria including, but not limited to, factors such as geography or location (“uptown,” “downtown,” etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed on any IDX site must be independently made by each participant. *(Amended 11/06)*

### **Section 18.2.5**

Participants must refresh all MLS downloads and refresh all MLS data at least once every seven (7) days.

### **Section 18.2.6**

Except as provided in these rules, an IDX site or a participant or user operating an IDX site may not distribute, provide, or make any portion of the MLS database available to any person or entity.

### **Section 18.2.7**

When displaying listing content, a participant's or user's IDX site must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface.

### **Section 18.3 Display**

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

#### **Section 18.3.1**

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

##### **Section 18.3.1.1**

The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed on IDX sites.

#### **Section 18.3.2**

Participants shall not modify or manipulate information relating to other participants' listings. (This is not a limitation on site design but refers to changes to actual listing data.) MLS data may be augmented with additional data not otherwise prohibited from display so long as the source of the additional data is clearly identified. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized data fields.

#### **Section 18.3.3**

All listings displayed pursuant to IDX shall identify the listing firm in a readily visible color and typeface not smaller than the median used in the display of listing data.

#### **Section 18.3.4**

All listings displayed pursuant to IDX shall identify the listing agent.

#### **Section 18.3.5**

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

#### **Section 18.3.6**

Deleted November, 2006.

#### **Section 18.3.7**

All listings displayed pursuant to IDX shall show the MLS as the source of the information.

### **Section 18.3.8**

Participants (and their affiliated licensees, if applicable) shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use, that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability.

### **Section 18.3.9**

The data consumers can retrieve or download in response to an inquiry shall be limited to 100 listings per search.

### **Section 18.3.10**

The right to display other participants' listings pursuant to IDX shall be limited to a participant's office(s) holding participatory rights in this MLS.

### **Section 18.3.11**

Listings obtained through IDX must be displayed separately from listings obtained from other sources, including information provided by other MLSs. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained.

### **Section 18.3.12**

Display of expired, withdrawn, and pending listings is prohibited.

### **Section 18.3.13**

Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

### **Section 18.3.14**

Participants are required to employ appropriate security protection such as firewalls, provided that any security measures required may not be greater than those employed by the MLS.

### **Section 18.3.15**

IDX operators must maintain an audit trail of consumer activity on the IDX site and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

#### **Section 18.4 Service Fees and Charges**

Service fees and charges for participation in IDX shall be as established annually by the Board of Directors. *(Adopted 11/01, Amended 5/05)*

#### **Section 19**

##### **Virtual Office Websites (VOWs)**

CCAR reserves the right cut off any data feed for the purpose of VOW if CCAR feels that the data is being misused in any way.

#### **Section 19.1 VOW Defined**

- a. A “Virtual Office Website” (VOW) is a participant’s Internet website, or a feature of a participant’s website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS listing information, subject to the participant’s oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a participant may, with his or her participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the participant’s oversight, supervision, and accountability.
- b. As used in Section 19 of these rules, the term “participant” includes a participant’s affiliated non-principal brokers and sales licensees—except when the term is used in the phrases “participant’s consent” and “participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all Virtual Office Websites, whether operated by a participant, by a non-principal broker or sales licensee, or by an “Affiliated VOW Partner” (AVP) on behalf of a participant.
- c. “Affiliated VOW Partner” (AVP) refers to an entity or person designated by a participant to operate a VOW on behalf of the participant, subject to the participant’s supervision, accountability, and compliance with the VOW policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a participant. No AVP has the right to use MLS listing information, except in connection with operation of a VOW on behalf of one or more participants. Access by an AVP to MLS listing information is derivative of the rights of the participant on whose behalf the AVP operates a VOW.
- d. As used in Section 19 of these rules, the term “MLS listing information” refers to active listing information and sold data provided by participants to the MLS and aggregated and distributed by the MLS to participants.

## **Section 19.2 Participation**

- a. The right of a participant's VOW to display MLS listing information is limited to that supplied by the MLS(s) in which the participant has participatory rights. However, a participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b. Subject to the provisions of the VOW policy and these rules, a participant's VOW, including any VOW operated on behalf of a participant by an AVP, may provide other features, information, or functions, e.g., "Internet Data Exchange" (IDX).
- c. Except as otherwise provided in the VOW policy or in these rules, a participant need not obtain separate permission from other MLS participants whose listings will be displayed on the participant's VOW.

## **Section 19.3 Preliminary Requirements**

- a. Before permitting any consumer to search for or retrieve any MLS listing information on his or her VOW, the participant must take each of the following steps.
  - i. The participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter, "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
  - ii. The participant must obtain the name of and a valid e-mail address for each Registrant. The participant must send an e-mail to the address provided by the Registrant confirming that the Registrant has agreed to the terms of use (described in Subsection d., below). The participant must verify that the e-mail address provided by the Registrant is valid and that the Registrant has agreed to the terms of use.
  - iii. The participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The participant must also assure that any e-mail address is associated with only one user name and password.
- b. The participant must assure that each Registrant's password expires on a date certain, but may provide for renewal of the password. The participant must at all times maintain a record of the name, e-mail address, user name, and current password of each Registrant. The participant must keep such records for not less than one hundred eighty (180) days after the expiration of the validity of the Registrant's password.
- c. If the MLS has reason to believe that a participant's VOW has caused or permitted a breach in the security of MLS listing information or a violation of MLS rules, the participant shall, upon request of the MLS, provide the name, e-mail address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

- d. The participant shall require each Registrant to review and affirmatively to express agreement (by mouse click or otherwise) to a terms of use provision that provides at least the following:
- i. that the Registrant acknowledges entering into a lawful consumer-broker relationship with the participant
  - ii. that all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use
  - iii. that the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW
  - iv. that the Registrant will not copy, redistribute, or retransmit any of the information provided, except in connection with the Registrant's consideration of the purchase or sale of an individual property
  - v. that the Registrant acknowledges the MLS' ownership of and the validity of the MLS' copyright in the MLS database
- e. The terms of use agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the participant. Any agreement entered into at any time between the participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the participant must be established separately from the terms of use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f. The terms of use agreement shall also expressly authorize the MLS and other MLS participants or their duly authorized representatives to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of participants' listings by the VOW. The agreement may also include such other provisions as may be agreed to between the participant and the Registrant.

#### **Section 19.4 Contact Information**

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

#### **Section 19.5 Security of VOW Content**

A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses of MLS listing information. A participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

**Note:** MLSs may adopt rules requiring Participants to employ specific security measures, provided that any security measure required does not impose obligations greater than those employed by the MLS.

**Section 19.6Opt Out**

- a.A participant’s VOW shall not display the listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller’s listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a participant who operates a VOW may provide to consumers via other delivery mechanisms, such as e-mail, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.
- b.A participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision.

**Seller Opt-out Form**

- 1. Check one.
  - a. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.
  - b. I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.
- 2. I understand and acknowledge that if I have selected Option a., consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their searches.

\_\_\_\_\_  
Initials of Seller

- c. The participant shall retain such forms for at least one (1) year from the date they are signed or one (1) year from the date the listing goes off the market, whichever is greater.

**Section 19.7 Third Party Comments**

- a. Subject to Subsection b., below, a participant’s VOW may allow third-parties:
  - i. to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or

- ii. to display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b. Notwithstanding the foregoing, at the request of a seller, the participant shall disable or discontinue either or both of those features described in Subsection a. as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all participants' websites. Subject to the foregoing and to Section 19.8, a participant's VOW may communicate the participant's professional judgment concerning any listing. A participant's VOW may notify its customers that a particular feature has been disabled at the request of the seller.

### **Section 19.8 Third Party Comments Accuracy**

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

### **Section 19.9 Updating of Content**

A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every three (3) days.

### **Section 19.10 Distribution of Content**

Except as provided in these rules, in the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup>, VOW policy, or in any other applicable MLS rules or policies, no participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.

### **Section 19.11 Privacy Policy**

A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

### **Section 19.12 Listings Exclusions**

A participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR<sup>®</sup>.

### **Section 19.13 Establishing a VOW**

A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all

MLS participants for purposes of verifying compliance with these rules, the VOW policy, and any other applicable MLS rules or policies.

#### **Section 19.14 Operating Multiple VOW's**

A participant may operate more than one VOW himself or herself or through an AVP. A participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a participant by an AVP is subject to the supervision and accountability of the participant.

**Note:** Adoption of Sections 19.15 through 19.19 is at the discretion of the MLS. However, if any of the following sections are adopted, an equivalent requirement must be imposed on participants' use of MLS listing information in providing brokerage service through all other delivery mechanisms.

#### **Section 19.15 Search Exclusions**

A participant's VOW may not make available for search by or display to Registrants any of the following information:

- b. the compensation offered to other MLS participants
- c. the type of listing agreement, i.e., exclusive right-to-sell or exclusive agency
- d. the seller's and occupant's name(s), phone number(s), or e-mail address(es)
- e. instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property

#### **Section 19.16 Changing MLS Information**

A participant shall not change the content of any MLS listing information that is displayed on a VOW from the content as it is provided in the MLS. The participant may, however, augment MLS listing information with additional information not otherwise prohibited by these rules or by other applicable MLS rules or policies, as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS listing information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

#### **Section 19.17 Accuracy of Information**

A participant shall cause to be placed on his or her VOW a notice indicating that the MLS listing information displayed on the VOW is deemed reliable, but is not guaranteed accurate by the MLS. A participant's VOW may include other appropriate disclaimers necessary to protect the participant and/or the MLS from liability.

#### **Section 19.19 Search limitation**

A participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 100 sold listings in response to any inquiry.

### **Section 19.20 Password Requirements**

A participant shall require that Registrants' passwords be reconfirmed or changed every 365 days.

**Note:** The number of days passwords remain valid before being changed or reconfirmed must be specified by the MLS in the context of this rule and cannot be shorter than ninety (90) days. Participants may, at their option, require Registrants to reconfirm or change passwords more frequently.

### **Section 19.21 Branding**

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

### **Section 19.22 Identification of Source**

A participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

### **Section 19.24 VOW Licensing**

Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

*(Adopted 11/08)*

**APPENDIX A:**  
**SANCTIONS AVAILABLE FOR MLS RULES VIOLATIONS AND DATA MISAPPROPRIATION**

**Internal Remedies for MLS Rules Violations:**

1. A fine of up to \$5,000.
2. Suspension of MLS privileges.
3. Termination of MLS privileges.
4. Specific violations and fines on separate white paper summary.

**Judicial Remedies for Data Misappropriation and Copyright Infringement:**

1. Injunctive relief.
2. Statutory damages, which may range from \$750 to \$30,000, in the discretion of the court, or up to \$150,000 if the infringement is willful.
3. Actual damages and lost profits.
4. Attorneys fees and costs, at the discretion of the court.
5. Potential criminal penalties.

**APPENDIX B:  
MLS VIOLATION FINES**

## **MLS Violation Fines**

<p><b>1.</b> Failure to enter a <b>new</b> listing into the MLS system; failure to enter a <b>change in status</b> into the MLS system; or failure to enter an exempted <b>sold</b> listing once closed into the MLS system within the MLS Rules &amp; Regulations time frame of 72 hours.</p>	<p>\$50.00 for the infraction. Notification made by email to the Listing Agent if not corrected within 24 hours. An additional fine of \$50.00 per day will incur until corrected and the Broker notified of the infraction.</p>
<p><b>2.</b> Failure to supply correct information into <b>any</b> field required or otherwise at the time of listing. (ie: incorrect address, tax map #, grid map #, area information, etc.)</p>	<p>\$20.00 for the infraction. Notification made by email to the Listing Agent and Broker. If not corrected within 24 hours the MLS Department will correct and bill the Broker/Agent for the infraction.</p>
<p><b>3.</b> A primary photo must accompany a listing when entered into the MLS on all classes with the exception of the Land property class. A primary photo must be the front view of the property and cannot include any for sale signs, agent or office logos, or any other form of contact information.</p>	<p>\$50.00 for the infraction. Notification is made by email to the Listing Agent. If not corrected within 24 hours an additional \$50.00 fine per day will incur until corrected and Broker notified of the infraction.</p>
<p><b>4.</b> Inclusion of contact information or <b>any</b> financial information into the Public Remarks or the Public Addendum section of a Listing. (ie: phone #'s, call information, web addresses, etc.)</p>	<p>\$20.00 for the infraction. Notification is made by email to the Listing Agent giving them 24 hours to correct. If not corrected within 24 hours, the MLS Dept. will correct and bill the Broker/Agent for the infraction.</p>
<p><b>5.</b> Failure to provide documentation requested by the MLS to validate the inclusion or lack of inclusion of a listing into the MLS system</p>	<p>\$50.00 for the infraction. Notification is made by email to the Listing Agent to provide documentation to the Association within 24 hours. If not received within 24 hours an additional \$50.00 fine will incur until received.</p>
<p><b>6.</b> Listings entered in the MLS will automatically expire on the expiration date. Extensions and renewals of listings must be signed by the seller(s) and filed with the listing office. Failure to provide proof of the signed extension when requested by the Association is an infraction of the MLS.</p>	<p>An automatic \$100.00 fine. Notification will be made by email to the Listing Agent and verbally to the Broker.</p> <p>Any office and/or listing agent found in violation more than one time within a six month time frame will be required to attend the MLS Rules and Regulations portion of the New Members orientation by both the agent and the broker.</p>
<p><b>7.</b> Failure of the Broker In Charge to insure that <b>ALL</b> Licensees join the Association and the MLS within 7 days after becoming members of their participating companies</p>	<p>Notification to Broker in Charge and office verbally and by email. \$250 fine levied if not corrected within 72 hours.</p>
<p><b>8.</b> If a Broker applies for a waiver of fees for MLS access of a licensed individual and it is discovered that that person is practicing the business of Real Estate.</p>	<p>\$500 fine levied against the Broker and the licensed individual is required to become a full member of the MLS.</p>

## **MULTIPLE LISTING POLICY OF THE NATIONAL ASSOCIATION OF REALTORS®**

The purpose of the MLS is the orderly correlation and dissemination of listing information to its members so those REALTORS® may better serve the buying and selling public.

A MLS shall not enact or enforce any rule which restricts, limits, or interferes with the actions of its Members in their relations with each other or in their REALTOR/client relationship or in the conduct of their business including, but not limited to, the following\*:

1. MLS shall not: Fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Members (Interpretation No. 14).
2. MLS shall not: Fix, control, recommend, suggest, or maintain any percentage division of commission or fees between cooperating Members and non-members.
3. MLS shall not: Require financial support of the MLS operations by any formula based on commission or sales price.
4. MLS shall not: Require or use any form that establishes or implies the existence of any contractual relationship between the MLS and the client (buyer or seller).
5. MLS shall not: Make any rule relating to the posting or use of signs (Interpretation No. 26).
6. MLS shall not: Make any rule prohibiting or discouraging cooperating with non-members.
7. MLS shall not: Limit or interfere with the terms of the relationship between a Member and his salesmen (Interpretation No. 15 & 26).
8. MLS shall not: Prohibit or discourage any Members from political participation or activity (Interpretation No. 15).
9. MLS shall not: Make any rules granting blanket consent to a selling Member to negotiate directly with the seller (owner) (Interpretation No. 10).
10. MLS shall not: Make any rules regulating the advertising or promotion of any listing (Interpretation No. 15 & 26).
11. MLS shall not: Prohibit or discourage a Member from accepting a listing from a seller (owner) preferring to give "office exclusive".
12. MLS shall not: Adopt any rules denying a listing Member from controlling the posting of "sold" signs.
13. MLS shall not: Reject any exclusive listing submitted by a Member on the basis of the quality or price of the listing.
14. MLS shall not: Adopt rules authorizing the modification or change of any listing without the express written permission of the listing Member.

\*Relates to Official Interpretation No. 6