

# Code of Ethics



REALTOR®

NATIONAL ASSOCIATION OF REALTORS®

As Approved by the  
DELEGATE BODY OF THE ASSOCIATION  
at its 67th Annual Convention  
NOVEMBER 14, 1974

## Preamble . . .

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. The REALTOR® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which the REALTOR® should dedicate himself, and for which he should be diligent in preparing himself. The REALTOR®, therefore, is zealous to maintain and improve the standards of his calling and shares with his fellow-REALTORS® a common responsibility for its integrity and honor. The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.

In the interpretation of his obligation, a REALTOR® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, "Whatsoever ye would that men should do to you, do ye even so to them."

Accepting this standard as his own, every REALTOR® pledges himself to observe its spirit in all of his activities and to conduct his business in accordance with the tenets set forth below.

### ARTICLE 1

The REALTOR® should keep himself informed on matters affecting real estate in his community, the state, and nation so that he may be able to contribute responsibly to public thinking on such matters.

### ARTICLE 2

In justice to those who place their interests in his care, the REALTOR® should endeavor always to be informed regarding laws, proposed legislation, governmental regulations, public policies, and current market conditions in order to be in a position to advise his clients properly.

### ARTICLE 3

It is the duty of the REALTOR® to protect the public against fraud, misrepresentation, and unethical practices in real estate transactions. He should endeavor to eliminate in his community any practices which could be damaging to the public or bring discredit to the real estate profession. The REALTOR® should assist the governmental agency charged with regulating the practices of brokers and salesmen in his state.

### ARTICLE 4

The REALTOR® should seek no unfair advantage over other REALTORS® and should conduct his business so as to avoid controversies with other REALTORS®.

### ARTICLE 5

In the best interests of society, of his associates, and his own business, the REALTOR® should willingly share with other REALTORS® the lessons of his experience and study for the benefit of the public, and should be loyal to the Board of REALTORS® of his community and active in its work.

### ARTICLE 6

To prevent dissension and misunderstanding and to assure better service to the owner, the REALTOR® should urge the exclusive listing of property unless contrary to the best interest of the owner.

### ARTICLE 7

In accepting employment as an agent, the REALTOR® pledges himself to protect and promote the interests of the client. This obligation of absolute fidelity to the client's interests is primary, but it does not relieve the REALTOR® of the obligation to treat fairly all parties to the transaction.

## ARTICLE 8

The REALTOR® shall not accept compensation from more than one party, even if permitted by law, without the full knowledge of all parties to the transaction.

## ARTICLE 9

The REALTOR® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts. He has an affirmative obligation to discover adverse factors that a reasonably competent and diligent investigation would disclose.

## ARTICLE 10

The REALTOR® shall not deny equal professional services to any person for reasons of race, creed, sex, or country of national origin. The REALTOR® shall not be a party to any plan or agreement to discriminate against a person or persons on the basis of race, creed, sex, or country of national origin.

## ARTICLE 11

A REALTOR® is expected to provide a level of competent service in keeping with the Standards of Practice in those fields in which the REALTOR® customarily engages.

The REALTOR® shall not undertake to provide specialized professional services concerning a type of property or service that is outside his field of competence unless he engages the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any person engaged to provide such assistance shall be so identified to the client and his contribution to the assignment should be set forth.

The REALTOR® shall refer to the Standards of Practice of the National Association as to the degree of competence that a client has a right to expect the REALTOR® to possess, taking into consideration the complexity of the problem, the availability of expert assistance, and the opportunities for experience available to the REALTOR®.

## ARTICLE 12

The REALTOR® shall not undertake to provide professional services concerning a property or its value where he has a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

## ARTICLE 13

The REALTOR® shall not acquire an interest in or buy for himself, any member of his immediate family, his firm or any member thereof, or any entity in which he has a substantial ownership interest, property listed with him, without making the true position known to the listing owner. In selling property owned by himself, or in which he has any interest, the REALTOR® shall reveal the facts of his ownership or interest to the purchaser.

## ARTICLE 14

In the event of a controversy between REALTORS® associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall submit the dispute to arbitration in accordance with the regulations of their board or boards rather than litigate the matter.

## ARTICLE 15

If a REALTOR® is charged with unethical practice or is asked to present evidence in any disciplinary proceeding or investigation, he shall place all pertinent facts before the proper tribunal of the member board or affiliated institute, society, or council of which he is a member.

## ARTICLE 16

When acting as agent, the REALTOR® shall not accept any commission, rebate, or profit on expenditures made for his principal-owner, without the principal's knowledge and consent.

## ARTICLE 17

The REALTOR® shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

## ARTICLE 18

The REALTOR® shall keep in a special account in an appropriate financial institution, separated from his own funds, monies coming into his possession in trust for other persons, such as escrows, trust funds, clients' monies, and other like items.

## ARTICLE 19

The REALTOR® shall be careful at all times to present a true picture in his advertising and representations to the public. He shall neither advertise without disclosing his name nor permit any person associated with him to use individual names or telephone numbers, unless such person's connection with the REALTOR® is obvious in the advertisement.

## ARTICLE 20

The REALTOR®, for the protection of all parties, shall see that financial obligations and commitments regarding real estate transactions are in writing, expressing the exact agreement of the parties. A copy of each agreement shall be furnished to each party upon his signing such agreement.

## ARTICLE 21

The REALTOR® shall not engage in any practice or take any action inconsistent with the agency of another REALTOR®.

## ARTICLE 22

In the sale of property which is exclusively listed with a REALTOR®, the REALTOR® shall utilize the services of other brokers upon mutually agreed upon terms when it is in the best interests of the client.

Negotiations concerning property which is listed exclusively shall be carried on with the listing broker, not with the owner, except with the consent of the listing broker.

## ARTICLE 23

The REALTOR® shall not publicly disparage the business practice of a competitor nor volunteer an opinion of a competitor's transaction. If his opinion is sought and if the REALTOR® deems it appropriate to respond, such opinion shall be rendered with strict professional integrity and courtesy.

## ARTICLE 24

The REALTOR® shall not directly or indirectly solicit the services or affiliation of an employee or independent contractor in the organization of another REALTOR® without prior notice to said REALTOR®.

**NOTE:** Where the word REALTOR® is used in this Code and Preamble, it shall be deemed to include REALTOR®-ASSOCIATE. Pronouns shall be considered to include REALTORS® and REALTOR®-ASSOCIATES of both genders.

The Code of Ethics was adopted in 1913. Amended at the Annual Convention in 1924, 1928, 1950, 1951, 1952, 1955, 1956, 1961, 1962, and 1974.