

Code of Ethics & Professional Standards Policies

**Approved by NAR Board of Directors on
November 13, 2020**

History

The NAR Professional Standards Committee met on October 5, 2020, to consider recommendations from its Interpretations and Procedures Advisory Board on the Code of Ethics' applicability to discriminatory speech and conduct.

The Committee approved the Advisory Board's recommendations, and six of them were presented to and approved by the NAR Board of Directors at their November 13, 2020 meeting.

Two of the changes will be effective immediately.

Training schedules and materials are available at

<https://www.nar.realtor/changes-to-coe-training>

New Standard of Practice 10-5, Adopted and Effective November 13, 2020

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

New Standard of Practice 10-5

- Flows from requirement to not deny equal professional services or be parties to a plan to discriminate.
- The public posting of hate speech would reveal bias against protected classes.
- Thus, public posting of hate speech could result in REALTORS® not taking clients from certain protected classes or not treating clients equally.
- Such actions would violate the Fair Housing Act due to overt discrimination or disparate impact.

NAR's Code of Conduct and Anti-Harassment Policy

Harassment includes inappropriate conduct, comment, display, action, or gesture based on another person's sex, color, race, religion, national origin, age, disability, sexual orientation, gender identity, and any other protected characteristic.

Examples of harassment include but are not limited to

Epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and the display or circulation of written or graphic material that denigrates or shows hostility toward an individual or group based on a protected characteristic.

Merriam Webster's Dictionary defines hate speech as:

Speech that is intended to insult, offend, or intimidate a person because of some trait (as race, religion, sexual orientation, national origin or disability).

Merriam Webster's Dictionary defines epithet and slur:

Epithet: 1a: a characterizing word or phrase accompanying or occurring in place of the name of a person or thing; **b.** a disparaging or abusive word or phrase.

Slur: 1a. insulting or disparaging remark or innuendo: ASPERSION, **b.** a shaming or degrading effect: STAIN, STIGMA.

29. Applicability of the Code of Ethics to ~~non-real estate-related activities~~

~~While REALTORS® are encouraged to follow the principles of the Code of Ethics in all of their activities,~~ A REALTOR® shall be subject to disciplinary action under the Code of Ethics only with respect to real estate-related all of their activities, and transactions involving the REALTOR®.

Expanded definition of the public trust:

The "public trust", as used in this context, refers to demonstrated misappropriation of client or customer funds or property, ~~willful~~ discrimination against the protected classes under the Code of Ethics, or fraud ~~resulting in substantial economic harm~~.

Expanded definition of the public trust:

- Expanded definition includes all discrimination against the protected classes under Article 10 and all fraud.
- Associations would be required to share with the state licensing authority final ethics decisions holding REALTORS® in violation of the Code of Ethics in instances involving real estate-related activities and transactions and where there is reason to believe the public trust, as expanded, may have been violated.

Code of Ethics and Arbitration Manual Revised

Section 23 (j): Final ethics decisions involving real estate related activities and transactions

Final ethics decisions holding REALTORS® in violation of the Code of Ethics involving real estate related activities and transactions must be forwarded to the state real estate licensing authority, and may be forwarded to any other governmental agency, in instances where there is reason to believe that the public trust may have been violated.

Code of Ethics and Arbitration Manual Revised

New professional standards policies are not retroactive

Standard of Practice 10-5 (and all other changes) apply **only** to conduct that occurs November 13, 2020 and thereafter.

Helpful Links

FAQs: View a list of FAQs regarding the policies passed by the NAR Board of Directors at nar.realtor/pscrecs2020.

Videos: Click [here](#) to listen to Interpretations and Procedures Advisory Board member Bruce Aydt (MO) explain the Advisory Board's recommendations. Click [here](#) to hear 2020 Chair of NAR's Professional Standards Committee Matt Difanis (IL) address whether the status quo is even a problem with respect to housing discrimination and racial equity issues. Click [here](#) for a video of REALTORS® sharing their experiences on Race, Real Estate, and Association Leadership.

Monthly Training Sessions: Sign up for NAR's free monthly training sessions on Breaking Down the Changes to the Code at <https://www.nar.realtor/changes-to-coe-training>. These non-mandatory sessions will provide guidance on the recent changes to the Code of Ethics and provide an opportunity to ask questions of our policy experts. Recordings of past sessions are available on this page as well.