

2017 Summary of Key Professional Standards Changes

This summary highlights substantive issues and changes, but is not all-inclusive. For complete information detailing all the changes see the 2016 Professional Standards Committee Actions for Midyear and the Annual Convention on the Board Policy and Programs website (<http://nar.realtor/mempolweb.nsf/comnameweb>; search on "Professional Standards Committee Actions"). Also review the shaded portions of the 2017 *Code of Ethics and Arbitration Manual* which highlights all the changes.

Change to the *Code of Ethics and Standards of Practice*

There are no changes to the 2017 Code of Ethics and Standards of Practice.

Changes to the *Code of Ethics and Arbitration Manual (Manual)*

(underscoring indicates additions, strikeouts indicate deletions)

- **Policy Statement #48, REALTORS®' Code of Ethics Training, is amended as follows:**

Effective January 1, 2001 through December 31, 2004, and for successive four (4) year periods ~~thereafter~~ ending December 31, 2016, REALTORS® ~~are~~ were required to complete quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. Beginning January 1, 2017 through December 31, 2018 and for successive two (2) year periods thereafter, REALTORS® are required to complete biennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. REALTORS® completing such training during any ~~four (4)~~ two (2) year cycle shall not be required to complete additional ethics training in respect of this requirement as a requirement of membership in any other Board or Association.

A REALTOR® completing the new member Code of Ethics orientation during any ~~four (4)~~ two (2) year cycle shall not be required to complete additional ethics training in respect of this requirement until a new ~~four (4)~~ two (2) year cycle commences.

Failure to complete the required periodic ethics training shall be considered a violation of a membership duty.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any ~~four (4)~~ two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Every Board and Association is required to provide access to necessary ethics training programs either locally, in conjunction with other Boards and Associations, or through other methods (including, but not limited to, home study, correspondence courses, or Internet-based instruction). Any training offered pursuant to this requirement must meet the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time.

- **Section 6, Conduct of Hearing, is amended as follows:**

At any ethics or arbitration hearing, every party has the right to present any witnesses, to submit any evidence pertinent to the case, and to cross-examine witnesses. Witnesses giving oral testimony shall be sworn in by the Chairperson. Before permitting testimony relating to the character or general reputation of anyone, the tribunal shall satisfy itself that the testimony has a direct bearing on the case at issue.

Attendance at any hearing is limited to the parties and the parties' respective counsel and/or witnesses (witnesses are excused from the hearing except during their testimony); the Hearing Panel members (including alternates); Board staff and/or counsel, as deemed necessary; any court reporter, as requested; and, in any ethics proceeding, the Respondent's Realtor® principal, consistent with Part Two, Section 13(d) of this Manual. (Adopted 4/93)

~~*The Board shall, and any party (may/may not), at his own expense, have a court reporter present at the hearing or shall record the proceeding, or may record* the proceeding, and, if transcribed, shall present a copy to the Professional Standards Administrator.** Any party may, at the Board's discretion, record the proceeding or utilize a court reporter at their own expense. If a party utilizes a court reporter and orders a transcript, a copy of the transcription shall be made at the party's expense and presented to the Professional Standards Administrator. If the Board utilizes a court reporter in lieu of recording, the parties may not be prohibited from making their own recording. (See Form #E-9, Outline of Procedure for Ethics Hearing, Part Six, and Conduct of an Ethics Hearing, Part Five.)*~~

Videotaping of the proceedings shall not be permitted except by advance express consent of all parties and all members of the tribunal.

~~*Ethics and arbitration hearings must be recorded, not Appeals or limited procedural review proceedings shall not be recorded by the Board or the parties. Boards shall prohibit parties from recording appeals or limited procedural review proceedings. (Revised 11/14)*~~

*The Board's recording or transcription shall be considered the official record of the proceeding. Copies of any recording or any transcript prepared from any recording of the hearing are to be used only for the purpose of appeals.*** or procedural reviews, and may not be introduced into evidence at any subsequent hearing. Boards, at their discretion and upon the advice of counsel, may prohibit the parties from obtaining a copy of the recording or transcription if the request is received outside of the time frame allowed for appeals or procedural reviews. Any unauthorized use of the recordings or transcripts may be construed as a violation of Article 14, as interpreted by the applicable Standards of Practice, and as a violation of these procedures.*

Any party to a hearing has the right to obtain a copy of the Board's official recording, subject to the aforementioned limitations, and subject to payment of the Board's duplication costs, and Any duplication will be conducted under the supervision of the Board. If the Board transcribes its official recording, any party to the hearing may obtain a copy of the transcript, subject to the aforementioned limitations and paying the Board's transcription costs. If more than one party requests copies of the transcript, the Board's costs will be apportioned between or among the parties. (Revised 11/14)

If a party purchases a copy of the Board's official recording and subsequently has it transcribed at his own expense, that party must provide a copy of the transcript to the Board at no cost. After the Board has received a copy of the transcript (made from the Board's official recording), the Board shall make copies of the transcript available to any other party subject to their payment of the Board's duplication costs. (Revised 11/10)

~~Attendance at any hearing is limited to the parties and the parties' respective counsel and/or witnesses (witnesses are excused from the hearing except during their testimony); the Hearing Panel members (including alternates); Board staff and/or counsel, as deemed necessary; any court reporter, as requested; and, in any ethics proceeding, the Realtor® principal, consistent with Part Two, Section 13(d) of this Manual. (Adopted 4/93)~~

~~It is recommended that recordings produced by the Board be maintained in the confidential professional standards files until a date when any sanction imposed by the Board has been completed.~~

~~**Videotaping of the proceedings shall not be permitted except by advance express consent of all parties and all members of the tribunal.~~

~~***Recordings or transcripts from ethics hearings may be used only by the parties for the purpose of appeals, and may not be introduced into evidence at any subsequent hearing. Any other unauthorized use of the recordings or transcripts may be construed as a violation of Article 14, as interpreted by the applicable Standards of Practice, and as a violation of these procedures. (Revised 11/14)~~

- **Section 20 (e), Initiating an Ethics Hearing, is amended as follows:**

~~(e) If an ethics respondent resigns or otherwise causes membership in the Board to terminate after an ethics complaint is filed but before final action is taken by the Board of Directors, the hearing process shall suspend and the Professional Standards Administrator shall cause the complaint to be forwarded to any other Board in which the respondent continues to hold membership. If the respondent does not hold membership in another Board, or if the Professional Standards Administrator is unable to determine if the respondent holds membership in another Board, the complaint shall be held in abeyance until such time as the respondent rejoins the Board or it can be determined that the respondent holds membership in another Board continue to be processed until the decision of the association with respect to disposition of the complaint is final consistent with Section 20, Initiating an Ethics Hearing, or Section 23, Action of the Board of Directors, Code of Ethics and Arbitration Manual. * If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final consistent with Section 20, Initiating an Ethics Hearing, or Section 23, Action of the Board of Directors, Code of Ethics and Arbitration Manual. * In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®. In any instance where a complaint is transferred to another Board, the complainant shall be so advised.~~

~~*Failure of the respondent to attend will not prevent a hearing from being held.~~

Note: Paragraph (14) of Appendix V to Part Four, Ethics Hearing Checklist, is amended to reflect the above change in policy.

- **Section 20 (l), Initiating an Ethics Hearing, is amended as follows:**

If the respondent does not acknowledge the conduct alleged in the complaint or waive the right to a hearing, or does not respond within ten (10) days from transmittal of the complaint, a hearing shall be scheduled in the manner provided for in Section 21, Ethics Hearing, beginning with the ~~twenty (20)~~ five (5) day deadline for the Professional Standards Committee chair to select a hearing date.

- **Section 21 (a) and (b), Ethics Hearing, is amended as follows:**

*(a) After a complaint alleging a violation of membership duty (duties) has been referred to the Professional Standards Administrator by the Grievance Committee with instruction to arrange a hearing, the Professional Standards Administrator shall serve a copy of the complaint on each party complained of (hereafter called the respondent) and notify the respondent that the respondent may file a written reply (Forms #E-2, Notice to Respondent [Ethics], and #E-3, Reply [Ethics], **Part Six**) with the Professional Standards Administrator within fifteen (15) days of the request for response being transmitted. A Hearing Panel may accept late filing of the reply at its discretion. The Professional Standards Administrator may require the complainant to supply the necessary number of copies of the complaint and the respondent to supply the necessary number of copies of the reply, except that such requirement shall not be made of a complainant who is not a Board Member. (Revised 11/14)*

The Professional Standards Administrator will inform the Professional Standards Committee Chair of the referral and the Chair shall select a hearing date no later than ~~twenty (20)~~ five (5) days after the Grievance Committee's decision to forward for hearing is final.

(b) The Professional Standards Administrator shall provide a copy of the reply (if any) to the complainant within ~~fifteen (15)~~ five (5) days from receipt of the response. The Professional Standards Administrator shall also provide copies of the complaint and reply (if any) to the Board President and Chairperson of the Professional Standards Committee, or notify each that no reply has been filed (unless the President and/or Professional Standards Chairperson indicate that they do not wish to receive copies or be so informed). (Amended 11/14)

- **Section 21 (e), Ethics Hearing, is amended as follows:**

(e) Complainants may withdraw their complaints at any time prior to the start of an adjournment of the ethics hearing. However, if complainant withdraws the complaint after transmission of the Grievance Committee's decision to forward the complaint to a hearing and prior to adjournment of the ethics hearing, the complainant may not resubmit the complaint on the same matter. If complainant withdraws the complaint before transmission of the Grievance Committee's decision to forward the complaint to a hearing, the complainant may resubmit the complaint on the same matter so long as it is filed within the

180-day filing deadline as defined in this Manual. If a complaint is withdrawn by the complainant after the Grievance Committee determines the complaint requires a hearing, it will be referred back to the Grievance Committee to determine whether a potential violation of the public trust (as defined in Article IV, Section 2 of the National Association's Bylaws) may have occurred. Only where the Grievance Committee determines a potential violation of the public trust may have occurred may the Grievance Committee proceed as the complainant. ~~A complaint so withdrawn shall not be deemed a final determination on the merits.~~

Note: Paragraph (20) of Appendix V to Part Four, Ethics Hearing Checklist, is amended to reflect the above change in policy. Also, the answer to question 17 in the Questions and Answers section of the *Code of Ethics and Arbitration Manual* is revised to reflect the revised policy.

- **Section 21 (f) (2), Ethics Hearing, is amended as follows:**

At any time during the hearing, the complaint may be amended either by the complainant or upon motion of the Hearing Panel to add previously uncited Articles or additional respondents. Neither the complainant or the Hearing Panel may bar the other from making such amendments. Amendments to include Articles previously dismissed by the Grievance Committee may be made only on the motion of the Hearing Panel. In such event, the hearing, with the concurrence of the respondent, may proceed uninterrupted or be reconvened on a date certain, not less than fifteen (15) or more than thirty (30) days from the hearing date unless a "late" witness is allowed and then not less than five (5) days from the hearing date. If the respondent knowingly waives his right to the adjournment, the record should reflect the fact that the respondent was aware of the right to an adjournment but chose to proceed with the hearing without interruption on the basis of the amended complaint. If the hearing is adjourned to be reconvened at a later time, the amended complaint shall be filed in writing, signed by the complainant or by the Chairperson of the Hearing Panel, and shall be promptly served on the respondent as in all other cases provided herein. ~~To prevent the appearance of bias, at no time during or after an ethics hearing may the Hearing Panel or any appellate body refer concerns regarding potentially unethical conduct to the Grievance Committee. This is based on the premise that the fundamental right and primary responsibility to bring potentially unethical conduct to the attention of the Grievance Committee rests with the parties and others with firsthand knowledge. This prohibition in no way limits or restricts the Hearing Panel from amending pending complaints as otherwise provided for in this section.~~ However, in any instance where a Hearing Panel amends an ethics complaint pending before it, the respondent(s) shall be given the choice of proceeding before the same Hearing Panel (either without interruption or when reconvened pursuant to the procedures established elsewhere in this Section) or having the complaint considered in a new hearing before a different Hearing Panel.

To prevent the appearance of bias, at no time during or after an ethics hearing may the Hearing Panel or any appellate body refer concerns regarding potentially unethical conduct to the Grievance Committee. This is based on the premise that the fundamental right and primary responsibility to bring potentially unethical conduct to the attention of the Grievance Committee rests with the parties and others with firsthand knowledge. This prohibition in no way limits or restricts the Hearing Panel from amending pending complaints as otherwise provided for in this section.

- **Section 23 (b), Action of the Board of Directors, is amended as follows:**

(b) If no appeal is filed, the Directors will adopt the Hearing Panel's recommendation and issue its order accordingly (at its next regularly scheduled meeting or a special meeting designated for that purpose, but no later than thirty [30] days after the date the Hearing Panel's decision was transmitted to the parties), unless: (Revised 11/14)

(1) the Directors, if concerned with a possible procedural deficiency, refer the decision back to the Professional Standards Committee for a new hearing and recommendation by a different Hearing Panel; or

(2) the Directors are concerned with the appropriateness of the recommendation of sanction, in which case the Directors may impose alternative discipline that does not exceed that recommended by the Hearing Panel, or may refer the decision back to the original Hearing Panel for further consideration and recommendation accompanied by the Directors' concerns regarding the proposed discipline (Hearing Panels are not required to accept the Directors' recommendation to increase discipline. In instances where the Hearing Panel increases discipline, the respondent(s) will have an additional twenty (20) days from the date the Hearing Panel's revised decision has been transmitted to appeal the revised discipline); or

(3) the consequences for noncompliance with discipline are not specified, in which case the Directors must refer the decision back to the original Hearing Panel for determination of the consequences for noncompliance (in such instances, the respondent(s) will have an additional twenty (20) days from the date the Hearing Panel's revised decision has been transmitted to appeal only the severity of the consequences for noncompliance); or

(3 4) the Directors conclude the findings of fact do not support a violation of the Code of Ethics, in which case the complaint will be dismissed.

*In such matters, advice of Board legal counsel should be requested and considered.
(Revised 11/14)*

- **A new Ethics Mediation Resolution Agreement, is added to Appendix XI to Part Four, Ethics Mediation (see appendix 1 of this document).**
- **The following paragraph takes the place of "Recording the hearing" section in the following:**
 - Part Five – Conduct of an Ethics Hearing,**
 - Outline of Procedure for Ethics Hearing Involving a Complaint and a Counter-Complaint**
 - Form #E-9, Outline of Procedure for Ethics Hearing**
 - Form #E-9a, Outline of Procedure for Ethics Hearing Involving a Complaint and Counter-Complaint**
 - Part Twelve – Conduct of an Arbitration Hearing**
 - Outline of Procedure for an Arbitration Hearing Involving a Request and a Counter-Request**

Form #A-10, Outline of Procedure for Arbitration Hearing
Form #A-10a, Outline of Procedure for Arbitration Hearing Involving a Request and a Counter-Request

The Board shall have a court reporter present at the hearing or shall record the proceeding. Any party may, at the Board's discretion, record the proceeding or utilize a court reporter at their own expense. If a party utilizes a court reporter and orders a transcript, a copy of the transcription shall be made at the party's expense and presented to the Professional Standards Administrator. If the Board utilizes a court reporter in lieu of recording, the parties may not be prohibited from making their own recording. Videotaping is not permitted except with the advance express consent of the parties and the panelists. Copies of any recording or transcription are to be used only for the purpose of appeals or procedural reviews. Appeals and limited procedural reviews shall not be recorded by the Board or the parties.

- **The following sentence is added to:**
Form #E-3, Reply (Ethics)
Form #E-5, Response to Grievance Committee Request for Information
Form #E-20, Notice to Respondent (Ethics) and Optional Waiver of Right to Hearing

Boards or Associations of REALTORS® where I hold or have held membership in the preceding three (3) years_____.

- **The following sentences are added to the end of Form E-11, Decision of Ethics Hearing Panel of the Professional Standards Committee:**

Hearing Panels that find a matter not timely filed should transmit their decision via correspondence (not Form #E-11, Decision of Ethics Hearing Panel of the Professional Standards Committee). Appellants appealing a Hearing Panel's dismissal should use Form #E-22, Appeal of Grievance Committee (or Hearing Panel) Dismissal of Ethics Complaint.

Note: This form was also revised to prompt a hearing panel to include the time frame in which discipline must be complied with if a violation of the Code of Ethics is found.

- **Section 31, Conduct of Hearing, is amended as follows:**

At any ethics or arbitration hearing, every party has the right to present any witnesses, to submit any evidence pertinent to the case, and to cross-examine witnesses. Witnesses giving oral testimony shall be sworn in by the Chairperson. Before permitting testimony relating to the character or general reputation of anyone, the tribunal shall satisfy itself that the testimony has a direct bearing on the case at issue.

*Attendance at any hearing is limited to the parties and the parties' respective counsel and/or witnesses (witnesses are excused from the hearing except during their testimony [except those witnesses with a vested financial interest consistent with **Part Ten, Section 44(a)(2), Duty and Privilege to Arbitrate**]); the Hearing Panel members (including alternates); Board staff and/or counsel, as deemed necessary; and any court reporter, as requested. (Revised 11/98)*

~~The Board shall, and any party (may/may not), at his own expense, have a court reporter present at the hearing or shall record the hearing, or may record* the proceeding, and, if transcribed, shall present a copy to the Professional Standards Administrator.** Parties may, at the Board's discretion, record the hearing or utilize a court reporter at their own expense. If a party utilizes a court reporter and orders a transcript, a copy of the transcription shall be made at the party's expense and presented to the Professional Standards Administrator. If the Board utilizes a court reporter in lieu of recording, the parties may not be prohibited from making their own recording (See Form #A-10, Outline of Procedure for Arbitration Hearing, Part Thirteen, and Conduct of an Arbitration Hearing, Part Twelve).~~

Videotaping of the proceedings shall not be permitted except by advance express consent of all parties and all members of the tribunal.

~~Ethics and arbitration hearings must be recorded, not Appeals or limited procedural review proceedings shall not be recorded by the Board or the parties. Boards shall prohibit parties from recording appeals or limited procedural review proceedings. (Revised 11/14)~~

The Board's recording or transcription shall be considered the official record of the proceeding. Copies of any recording or any transcript prepared from any recording of the hearing are to be used only for the purpose of appeals.*** or limited procedural reviews, and may not be introduced into evidence at any subsequent hearing. Boards, at their discretion and upon the advice of counsel, may prohibit the parties from obtaining a copy of the recording or transcription if the request is received outside of the time frame allowed for appeals or procedural reviews. Any unauthorized use of the recordings or transcripts may be construed as a violation of Article 14, as interpreted by the applicable Standards of Practice, and as a violation of these procedures.

Any party to a hearing has the right to obtain a copy of the Board's official recording, subject to the aforementioned limitations, and subject to payment of the Board's duplication costs, and . Any duplication will be conducted under the supervision of the Board. If the Board transcribes its official recording, any party to the hearing may obtain a copy of the transcript, subject to the aforementioned limitations and paying the Board's transcription costs. If more than one party requests copies of the transcript, the Board's costs will be apportioned between or among the parties. (Revised 11/14)

If a party purchases a copy of the Board's official recording and subsequently has it transcribed at his own expense, that party must provide a copy of the transcript to the Board at no cost. After the Board has received a copy of the transcript (made from the Board's official recording), the Board shall make copies of the transcript available to any other party subject to their payment of the Board's duplication costs. (Revised 11/10)

~~Attendance at any hearing is limited to the parties and the parties' respective counsel and/or witnesses (witnesses are excused from the hearing except during their testimony [except those witnesses with a vested financial interest consistent with **Part Ten**, Section 44(a)(2), Duty and Privilege to Arbitrate]); the Hearing Panel members (including alternates); Board staff and/or counsel, as deemed necessary; and any court reporter, as requested. (Revised 11/08)~~

*It is recommended that recordings produced by the Board be maintained in the confidential professional standards files until a date when any sanction imposed by the Board has been completed.

~~**Videotaping of the proceedings shall not be permitted except by advance express consent of all parties and all members of the tribunal.~~

~~***Recordings or transcripts from arbitration hearings may be used only by the parties for the purpose of appeals, and may not be introduced into evidence at any subsequent hearing. Any other unauthorized use of the recordings or transcripts may be construed as a violation of Article 14, as interpreted by the applicable Standards of Practice, and as a violation of these procedures. (Revised 11/14)~~

- **Appendix I to Part Ten, Arbitrable Issues, is amended as follows:**

Non-Arbitrable Issues that Can be Mediated as a Matter of Local Determination

As stated above, an arbitrable issue includes a contractual question arising out of a transaction between parties to a contract, in addition to certain specified non-contractual issues set forth in Standard of Practice 17-4. Arbitration proceedings should be limited to these issues, and Boards of Realtors® should not arbitrate other types of claims.

Examples of non-arbitrable issues include:

- *tortious interference with business relationships*
- *tortious interference with a contractual relationship*
- *economic duress*
- *intentional infliction of emotional distress*
- *other tort claims, such as libel/slander*
- *employment claims, other than commission disputes*
- *fraud/misrepresentation claims*
- *property claims, both real and personal*
- *disputes between two listing brokers where no contract exists between the parties and the dispute is not as specified in Standard of Practice 17-4(4)*

In addition, Section 53 of the Code of Ethics and Arbitration Manual limits the award in an arbitration proceeding to the amount in dispute and so an arbitration award will not include punitive damages, attorney's fees, or interest, unless the agreement between the parties specifically provides for such damages and the award is permitted by state law.

Associations may, but are not required to, provide mediation services for disputes of the type listed above.

- **The following sentence was deleted from the following:**
Outline of Procedure for an Arbitration Hearing
Outline of Procedure for an Arbitration Hearing Involving a Request and a Counter-Request
Chairperson's Procedural Guide: Conduct of an Arbitration Hearing
Chairperson's Procedural Guide: Conduct of an Interboard Arbitration Hearing
Form #A-10, Outline of Procedure for Arbitration Hearing
Form #A-10a, Outline of Procedure for Arbitration Hearing Involving a Request and a Counter-Request

The parties should be advised that the arbitration will continue to be processed until formally withdrawn by the complainant.

- **The following amendments are made to the:**
Chairperson's Procedural Guide: Conduct of an Arbitration Hearing
Chairperson's Procedural Guide: Conduct of an Interboard Arbitration Hearing

Confidential nature of hearing: ~~Before we adjourn the hearing of this panel, a~~ All persons present are advised that the award of this panel is considered confidential. It will be available only to members of this panel, to the parties, to counsel and staff as required or as otherwise specified in the Code of Ethics and Arbitration Manual. Upon final action by the Hearing Panel in an arbitration proceeding, the decision, when signed by the members of the Hearing Panel (or a majority of them), shall be served upon the parties to the dispute. The parties will be notified of the decision within the required time after this hearing is adjourned. You are reminded that any recording or transcription that may be made of these proceedings can only be used for the purpose of procedural review, and any other use, including use in other ethics or arbitration hearings, is expressly prohibited.

At this point, parties may be offered an additional opportunity to settle. Associations offering this opportunity may read the following:

Before we adjourn the hearing of this panel, we would like to give both parties fifteen (15) minutes to discuss any settlement or resolution of their dispute that they would like to consider prior to the Hearing Panel entering executive session. The parties (and their counsel, if any) will be provided a private space to meet and discuss any resolution. If settlement is reached, the parties will execute an agreement and the arbitration process will be terminated. If settlement is not reached, the panel will reconvene in executive session and determine the award.

Adjournment: *There being no further business to be considered in this hearing, this portion of the hearing stands adjourned.*

Note: Section 54, Costs of Arbitration, is amended to prompt a board to determine the disposition of deposits should the parties settle the dispute after the hearing begins but before the executive session.

- **Form #A-20, Appeal of Grievance Committee (or Hearing Panel)* Dismissal or Appeal of Classification of Arbitration Request, is amended to add the following sentences:**

Hearing Panels that dismiss an arbitration request should transmit their decision via correspondence (not Form #A-12, Award of Arbitrators). Appellants appealing a Hearing Panel's dismissal should use this form.

- **New form, #A-17a, Notice of Settlement, Withdrawal of Arbitration Request, is added to the Code of Ethics and Arbitration Manual (see Appendix 2 of this document)**

Additional Points of Interest

1. There were no changes to the Case Interpretations with one exception. In Case #12-15, Links to Other Internet Sites, all references to REALTOR.org are changed to reflect www.nar.realtor.
2. Associations that hold ethics hearings after January 1, 2017 for cases filed January 1, 2017 and thereafter, may continue to process the complaint even if the respondent resigns or causes his or her membership to terminate if the respondent does not continue to hold membership in another association. This is true even if the alleged bad act occurred in 2016. If the respondent does hold membership in another association, forward the complaint to the other association consistent with revised Section 20 (e), Initiating and Ethics Hearing. If the ethics complaint was filed in 2016 but the hearing will be held in 2017, continue to hold the case in abeyance per 2016 policy if the respondent does not hold membership in another association. The Model Board Bylaws are adjusted as follows (underscoring indicates additions, strike-outs indicate deletions):

Article VI, Section 5. *If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, ~~that board of directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel~~ the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.*

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00 and 11/11)

3. At the November 2014 Convention in New Orleans, the Board of Directors of the National Association of REALTORS® amended the four-year time frame for Code of Ethics training to a two-year time frame. Consequently, beginning January 1, 2017, all REALTORS® will be required to complete Code of Ethics training every two years. The National Association's Model Board Bylaws and Professional Standard Policy Statement #48, REALTORS® Code of Ethics Training, are amended accordingly. The Model Board Bylaws are adjusted as follows (underscoring indicates additions, strike-outs indicate deletions):

Article V, Qualification and Election, Section 5. REALTOR® Code of Ethics Training *Effective January 1, ~~2004~~ 2017, through December 31, ~~2004~~ 2018, and for successive ~~four~~ two year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ~~quadrennial~~ ethics training of not less than two*

(2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any ~~four (4)~~ two (2) year cycle shall not be required to complete additional ethics training until a new ~~four (4)~~ two (2) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement ~~for the second (2005 through 2008) cycle and subsequent four (4) year cycles~~ in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any ~~four (4)~~ two (2) cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08, Amended 11/2016)

For a complete list of all changes to the Model Board Bylaws, go to:

<https://www.nar.realtor/about-nar/governing-documents/model-bylaws-for-local-boards>

4. The National Association's Professional Standards Education Seminar will be held in Chicago August 10 and 11, 2017. For more information in mid-January, please go to: <http://www.nar.realtor/events/mediation-training>.
5. The National Association's Mediation Training Seminar will be held in Chicago September 6, 7, and 8, 2017. For more information in mid-January, please go to: <http://www.nar.realtor/events/professional-standards-education-seminar>.
6. Staff primarily responsible for administration of professional standards processes must successfully complete training consistent with Professional Standards Policy Statement #49. If staff has not successfully completed such training, they must do so before becoming primarily responsible for the administration of professional standards processes. If staff has previously completed such training, they have until December 31, 2018 to complete another training. Once staff completes their training, they have four years from that specific date to complete their next training.
7. The complete listing of all Statements of Professional Standards Policy, in chronological order, is available on-line at www.nar.realtor. Policy Statements applicable to ethics and arbitration remain in the *Code of Ethics and Arbitration Manual* in their respective sections, but the complete list appears on-line: <http://www.nar.realtor/policy/statements-of-professional-standards-policy>

8. The Professional Standards Training Guide, NAR Model Citation Policy, the Ombudsman Procedures, Ethics Mediation, and the Ethics Fast Track Supplement are found on-line:

<http://www.nar.realtor/policy/professional-standards-training-guide>

<https://www.nar.realtor/policy/nar-model-citation-policy-and-schedule-of-fines>

<https://www.nar.realtor/ae/manage-your-association/local-and-state-association-ombudsman-services>

<https://www.nar.realtor/code-of-ethics-and-arbitration-manual/ethics/part-4-appendix-xi-ethics-mediation>

<https://www.nar.realtor/policy/fast-track-supplement-to-ceam>

December 20, 2016

Appendix 2 to 2017 Professional Standards Summary

Board or State Association

Address

City

State

Zip

Notice of Settlement, Withdrawal of Arbitration Request

Notice is given herewith to the _____ (Board or State Association) that in the matter of _____ vs. _____ the parties have reached a settlement, the parties have satisfied the terms of the settlement agreement, and the arbitration request in the matter of _____ vs. _____ is hereby withdrawn by the complainant(s).

Complainant Name (Type/Print)

Signature

Date

Complainant Name (Type/Print)

Signature

Date

* This form, or one substantively similar, may be required by associations when complainants wish to withdraw their arbitration requests after settlement.