



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

MEETING AGENDA

Committee: MLSSAZ Board of Directors
Meeting Date: November 18, 2020
Chair: Sue Cartun, President

- I. Call to Order 3:00pm
- II. Consent Agenda*
 - A. Board of Directors Meeting Report, October 22, 2020 2
 - B. Committee Reports
 - 1. Executive Committee, November 9, 2020 4
 - 2. Standards Committee, November 11, 2020 5
 - 3. Technology Committee, November 3, 2020 6
 - C. New Subscriber Report 7
 - D. Trends Reports
 - 1. Membership Trends 10
 - 2. Inventory Trends 11
 - E. Weekly Stats 12
 - F. 2020 Business Plan 15
 - G. October Education Report 18
 - H. Tucson Association of REALTORS® Report 19
- III. 2021 Transition *David Dynes*
 - A. Ratification of Technology and Standards Committee Chairs* *David Dynes*
- IV. Treasurers Report: *Cheryl Terpening*
 - A. Balance Sheet 20
 - B. Budget vs. Actuals 22
 - C. Equity & Reserves 23
- V. Unfinished Business
 - A. 2021-2023 Strategic Planning Follow-up (*separate document*)
 - B. 2021 Business Planning – December 2 & 3 from 2-4pm
- VI. New Business
 - A. Election of 2021 Officers*
 - B. Operating Reserve Account – proposal to open new account*
 - C. NAR MLS Issues and Policies Committee – Motions passed by the NAR Board of Directors 24
 - D. [NAR Code of Ethics Changes](#) 39
- VII. Updates
 - A. Coming Soon Workgroup: Reviewing Survey Results to bring forward recommendations to the board
President Cartun
 - B. Website Vendor – expected launch mid-December

ADJOURN

***= Items that may require action**

Meeting Dates

1. MLS Standards Committee, 12/2/2020 – 1:30pm
2. MLS Technology Committee, 12/1/2020 - 2:30pm
3. MLSSAZ Executive Committee, 12/14/2020 – 11:30am
4. MLSSAZ Board of Directors, 12/17/2020 – 3:00pm



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Board of Directors (Zoom Video Conferencing)
Meeting Date: October 22, 2020
Chair: Sue Cartun, President
Call to Order: 3:01pm

Attendance: James Bowman Sue Cartun Kim Clifton David Dynes
Cathy Erchull Diane Marzonie Louis Parish Joette Schenck
Cheryl Terpening

Absent: Lori Adamson Jim Adams Susan Derlein John Gebhart

Guest: Lisa Sullivan

Staff: Christine Sanchez Randy Rogers

Action Items:

M/S/C: Move to approve the Consent Agenda as presented.

M/S/C: Move to approve the Bylaws with the changes discussed and forward to the Shareholder for approval.

M/S/C: Move to approve the Policy Statements as presented.

M/S/C: Move to approve the 2021 budget as presented and forward to the Shareholder for approval.

M/S/C: Move to approve the request from the Green Valley Sahuarita Association of REALTORS to extend their Service Center Agreement for three-years (2021, 2022 and 2023) and to include an increase of \$2500.00 from 2020.

Information Items:

- Review of the revised Bylaws presented by the Bylaws Task Force.
 - Article VI, Section 1(F) – add “exceptions can be made at the boards discretion”.
 - Article VI, Section 3 – do not strike “at least four”.
 - Article X, Section 6 – Add “Board” to read Board of Directors.
 - Article XI, Section 3 – Remove “and Regional Advisory Council” and “Section 3(B)”.
 - Article XII, Section 2 – No changes will be made, the Elective Year will remain a calendar year of January 1 through December 31.
 - A motion was made, seconded and passed to approve the Bylaws with the changes discussed.
- Review of the revised Policy Statements presented by the Bylaws Task Force. A motion was made, seconded and passed to approve the Policy Statements as presented.
- Review of the September financials.
 - The Budget vs Actuals reflects 2 adjustments, 836006 ShowingTime and 836007 Statistics Program.
 - Reserves are at 8.8 months.
- Review of the proposed 2021 Budget which is based on a 90% renewal rate.
 - Travel fees reduced, new budget line item for Conference Registrations and Community Outreach, ShowingTime line items reflect the different services and a \$2500 increase in the Green Valley Sahuarita Service Center expense.
 - A motion was made, seconded and approved to accept the proposed 2021 Budget as presented and forward to the Shareholder for approval.
- The 2021-2022 Strategic Planning Sessions are scheduled for November 5 and 6 from 2-4pm; attendees will include board members, current and future committee chairs.
 - The 2021 Business Planning Session is scheduled for December 2 and 3 from 2-4pm; President-elect Dynes is working on the attendee list.

- CMLS Conference Update:
 - President-elect Dynes attended a Legal Session on Clear Cooperation Policy and gathered information to share with the Clear Cooperation Policy Workgroup and also mentioned there were discussions regarding the opportunities for rental listings for MLSs.
 - Review of the CEO Forum Survey on the top 5 MLS strategic focus areas for the next 12 months; the information will be used in the upcoming strategic and business planning sessions.
- Discussion of the request from Green Valley Sahuarita Association of REALTORS to extend their agreement from one to three years. The current agreement is a two-year contract with a one-year automatic renewal. A motion was made, seconded and passed to approve the request to extend the agreement to three-years beginning in 2021 and to include an increase of \$2500.00 for each year extended.
- CEO Rogers provided a staffing update; Lori Wadsack's last day was October 16 and one or two individuals will be hired to fill the tech support role.
- CEO Rogers reported that the TAR Board of Directors have approved the payoff of the mortgage, providing an opportunity to review the cooperative agreement.
- MLS Newsletter had a 32% open rate, consisting of 312 brokers and just under 3000 subscribers.
- The Coming Soon Workgroup will be sending out a survey to solicit feedback to aid the workgroup with prioritizing improvements to the current Coming Soon Status.
- Next meeting is scheduled for Wednesday, November 18.
- Adjourned at 4:36pm

MLSSAZ Executive Committee
November 9, 2020
Meeting Report
Chair: Sue Cartun, President

- I. Call to Order, Attendance: Sue Cartun, Cheryl Terpening, Randy Rogers
- II. Strategy
 - A. 2021 Transition
 1. Kelly Hand will chair the Technology Committee, Henry Zipf, Standards
 2. Officer Elections-President Elect Dynes was not on call so no update although several scenarios were discussed.
 3. Board seat attendance issue was discussed and will be discussed with Pres-Elect Dynes. Suggestion for Work group be established to review Board selection process and add clarity to situations in by-laws and policies.
- III. 2021-2023 Strategic Planning

Discussion of similar themes that continue to be focus areas, communication, staffing. Also discussed some solutions to the focus areas noting that it is in the strategic plan and it will be addressed.

Also discussed business planning in December but no details due to Pres elect Dynes absence.
- IV. Financials

Delivered in time for Board packet

Discussion of new operating reserve account. Agreed this is positive and move to Board Mtg.

Explanation and discussion of IRS Rule regarding gift to TRCF. Rationale is that a significant gift to TRCF from MLSSAZ and TAR could adversely impact the status of TRCF potentially turning it into a private foundation as well as having no tax benefit to MLSSAZ or TAR. Hence, decision was made to not support at this time.
- V. Code of Ethics and Core Standards

Discussion of new potential changes to MLS potential actions. NAR Committee and Board will have voted on this prior to our Board meeting.

Suggestion that Standards will need to review these changes
- VI. Updates

Coming Soon survey will be sent today with response due by Thursday, Nov 12.

Also announced the Website vendor has been selected and work has already commenced through the process of deciding vendor. Expect mid-December delivery.
- VII. Meeting adjourned 1:00 pm.



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Standards
Meeting Date: November 11, 2020
Chair: Sterling Bancroft
Called to order: 1:34 PM

Present: Sterling Bancroft, Henry Zipf, Annie Barmore, Mindy Maddock, Michele Ream, Shiraz-ali Peera, Jacob Freidman, Lisa Sullivan, Michael Smith.

Absent: Patrick Devine, Amanda Elmer.

Staff: Andrew Castillo

Guests: Nicole Brule-Fisher

Action Items:

No recommendations

Information Items:

- Meeting was held via video conference.
- Sterling Bancroft Chairman chaired this meeting.
- Minutes of the October meeting were approved.
- Hearing Results
 - Based on the evidence presented the committee requested additional information to help determine the appropriate sanction for the violation. An official decision was postponed, and the hearing is scheduled to resume for December's meeting.

Adjourned @ 2:15 PM

Our next meeting is December 9, 2020 at 1:30 PM



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

MLSSAZ Technology Committee

November 3, 2020

Meeting Minutes

- I. Call to Order
Attendance: Chair: Catherine Wolfson, Dawn Heineman, Laurie Lundeen, Ron Keeler, Henry Zipf, Brad Sensenbach, Staff: Brian Ohnesorgen, Randy Rogers
Absent: Kelly Hand, Jennie James, Rebecca Crane
- II. Approved the October meeting report
- III. Demonstration of HomeSnap and Broker Public Portal
Robust discussion followed the demo.
Committee requests reviewing adoption rates for tools and products at the next meeting.
Staff will provide this.
- IV. Role of Committee was discussed briefly.
2021 Chair will focus on items from subscribers
Committee would like to go back in 2021 and review the input sheet but start from the bottom and work way up.
- V. Showing time Service was discussed and committee will review adoption rates at future meeting. Many agents do not use and discussion ensued around this. More education to come on this service.
Market Stats also discussed and agreed service was good but also study adoption rates going forward. Training for Appraisers would be beneficial.
- VI. Clarity will be reviewed at December meeting.
- VII. Question was asked of committee if Flex MLS service was slowed with videos. Staff informed that FlexMLS is working to make this better.
- VIII. No new business and meeting adjourned.



New Subscribers

10/1/2020 through 10/31/2020

| Last Name | First Name | Office | Type | Association |
|------------------|------------|--|------|-------------|
| Lasco | Geoffrey | Lasco Appraisals | APPR | Other |
| Luteijn | Kelly | AZ Department of Financial Institutions | APPR | Other |
| Kervick | Steven | Steven S. Kervick | APPR | Other |
| Smith | Douglas | Precision Real Estate | DR | |
| Aros | Amber | Mac's Pro Real Estate | DR | TAR |
| Kempton | Tamara | RE/MAX Select | MAB | GVSAR |
| Lutton | Milt | Russ Lyon Sotheby's International Realty | MAB | GVSAR |
| Burghard-Pelatti | Rosemarie | Keller Williams Realty Biltmor | MAB | Other |
| Ellis | Ian | eXp Realty 01 | MAB | Other |
| Hollenbeck | Trenton | West USA Realty | MAB | Other |
| Stimac | Shauna | HomeSmart | MAB | Other |
| Luna | Ruben | A.Z. & Associates | MAB | Other |
| Alexander-Perez | Taylor | Launch Real Estate | MAB | Other |
| Preszler | James | HomeSmart | MAB | Other |
| Ortiz | Pierina | A.Z. & Associates | MAB | Other |
| Strachan | Tracy | My Home Group Real Estate | MAB | Other |
| Pahwa | Geeta | West USA Realty | MAB | Other |
| Ferguson | Jason | eXp Realty 01 | MAB | Other |
| Hyduchak | Ann | West USA Realty | MAB | Other |
| Gutierrez | Inez | HomeSmart Success 04 | MAB | Other |
| Kunellis | Dion | HomeSmart | MAB | Other |
| Alvarez Carrillo | Jaciana | West USA Realty | MAB | Other |
| Seganti | James | HomeSmart | MAB | Other |
| Petrany | Becky | Keller Williams Southern Arizona | MAB | Other |
| Ladrigan | Andrew | HomeSmart | MAB | Other |
| Steil | M. Beth | RE/MAX Excalibur | MAB | Other |
| Howlett | Shean | A.Z. & Associates | MAB | Other |
| Brethower | Tammie | Knock Homes | MBB | Other |
| Matteson | Kathleen | The Agency | MBB | Other |
| Annati | Cole | Keller Williams Realty Sonoran | MBB | Other |
| La Rue | Rich | HomeSmart | MBB | |
| Whitwam | Scott | Allison James Estates and Home | MBB | Other |
| Pineda | Olivia | Zillow, Inc | MBB | Other |
| Gonzales | Raymond | Tierra Antigua Realty | R | TAR |
| Peterson | Cary | Realpros Real Estate | R | TAR |
| Champine | Kacy | DiPeso Realty | R | TAR |
| Davis | Fiona | Coldwell Banker Realty | R | TAR |
| Martinez | Carlos | Realty Executives Arizona Territory | R | TAR |
| Smith | Edward | Coldwell Banker Realty | R | TAR |
| Escobido | Eduardo | The Agency | R | Other |
| Abrams | Benjamin | Long Realty Company | R | TAR |

R=REALTOR, DR=Designated REALTOR, MAB=MLS Only Agent, MBB=MLS Only Broker, APR=Appraiser



New Subscribers

10/1/2020 through 10/31/2020

| | | | | |
|----------------|--------------|-------------------------------------|---|-------|
| Mougeot | Adriana | Keller Williams Southern Arizona | R | TAR |
| Leon Mungaray | Cristian | Keller Williams Southern Arizona | R | TAR |
| Alexander | Diane | Tierra Antigua Realty | R | TAR |
| Siringer | Michael | Tierra Antigua Realty | R | TAR |
| Hernandez | Keyven | eXp Realty | R | TAR |
| Fuentes | Cecil | Coldwell Banker Realty | R | TAR |
| Davis | Daniel | Engel & Volkers Tucson | R | TAR |
| Zukas | Dawn | RE/MAX Select | R | TAR |
| Johnson | Anthony | eXp Realty 01 | R | TAR |
| Ortiz | Miguel | Connect Realty.com | R | TAR |
| Paschal | Shanen | Keller Williams Southern Arizona | R | TAR |
| Black | Lauren | Realty One Group Integrity | R | TAR |
| Ellsworth | Jennifer | eXp Realty 01 | R | TAR |
| Padres | Luis | Realty Executives Arizona Territory | R | TAR |
| Ruder | Kevin | 1st Heritage Realty | R | TAR |
| Belvedere | Mark | Tierra Antigua Realty | R | TAR |
| Taddeo | Sharon | 1st Heritage Realty | R | TAR |
| Duarte | David | Tierra Antigua Realty | R | TAR |
| Jankowski | Blake | Long Realty Company | R | TAR |
| Maneval | Stefanie | Long Realty Company | R | TAR |
| Campas | Priscilla | Coldwell Banker Realty | R | TAR |
| Price | Jonathan | Redfin Corporation | R | TAR |
| Humphries | Christina | Long Realty Company | R | TAR |
| Valdez | Helen | Realty One Group Integrity | R | TAR |
| Keep | Joseph | Keller Williams Southern Arizona | R | TAR |
| Milstead | Paige | Keller Williams Southern Arizona | R | TAR |
| Virgen-Quezada | Jorge Alonso | Engel & Volkers Tucson | R | TAR |
| Coon | Sarah | Keller Williams Southern Arizona | R | TAR |
| Thomas | Heather | Long Realty Company | R | TAR |
| Picos | Maria | Realty Executives Arizona Territory | R | TAR |
| Phillips | Sarah | Long Realty Company | R | TAR |
| Cronk | Ryan | Tierra Antigua Realty | R | TAR |
| Davis | Jordan | Realty One Group Integrity | R | Other |
| Urban | Stephanie | Long Realty Company | R | TAR |
| Rodriguez | Suguey | Long Realty Company | R | TAR |
| Landon | Matthew | Realty Executives Arizona Territory | R | TAR |
| Ashley | Stephanie | Homesmart Advantage Group | R | TAR |
| Byrd | Justin | Long Realty Company | R | TAR |
| Bolton | Tera | Oliver Realty, LLC | R | TAR |
| White | Marcia | Realty Executives Arizona Territory | R | TAR |
| De La Rosa | Yvette | eXp Realty | R | TAR |
| Merritt | Brian | Long Realty Company | R | TAR |
| Ankrum | Michelle | Long Realty Company | R | TAR |
| Offolter | Matthew | My Home Group Real Estate | R | TAR |

R=REALTOR, DR=Designated REALTOR, MAB=MLS Only Agent, MBB=MLS Only Broker, APR=Appraiser



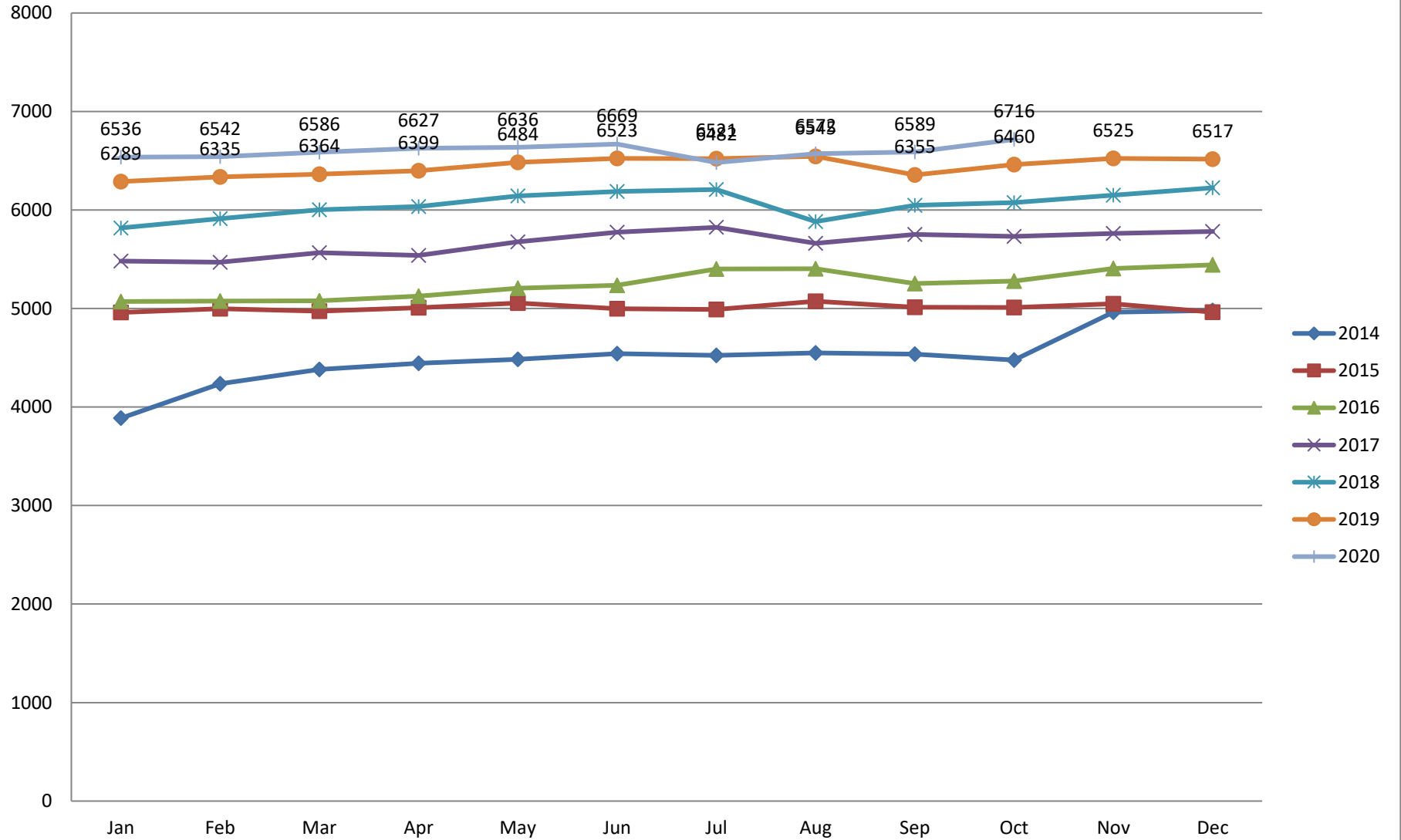
New Subscribers

10/1/2020 through 10/31/2020

| | | | | |
|----------|-----------|----------------------------------|---|-----|
| Lutz | Lynette | Coldwell Banker Realty | R | TAR |
| Kellogg | Kerri | Coldwell Banker Realty | R | TAR |
| Nichols | Simon | Keller Williams Southern Arizona | R | TAR |
| Haremza | Fnu | NextHome Complete Realty | R | TAR |
| Rayman | Joshua | DRH Properties Inc. | R | TAR |
| Durazo | Cecilia | OMNI Homes International | R | TAR |
| Richards | Bradley | Wayfair Realty | R | TAR |
| Durante | Jacob | Keller Williams Southern Arizona | R | TAR |
| Shore | Samantha | Long Realty Sonoita/Patagonia | R | TAR |
| Levering | Whitni | Tierra Antigua Realty | R | TAR |
| Vega | Jessica | Realty One Group Integrity | R | TAR |
| Reaney | Christian | Keller Williams Southern Arizona | R | TAR |
| Willems | Sarah | OMNI Homes International | R | TAR |
| Lunde | Vasily | CXT Realty | R | TAR |
| Kerman | India | eXp Realty | R | TAR |
| Ruder | Brenton | 1st Heritage Realty | R | TAR |

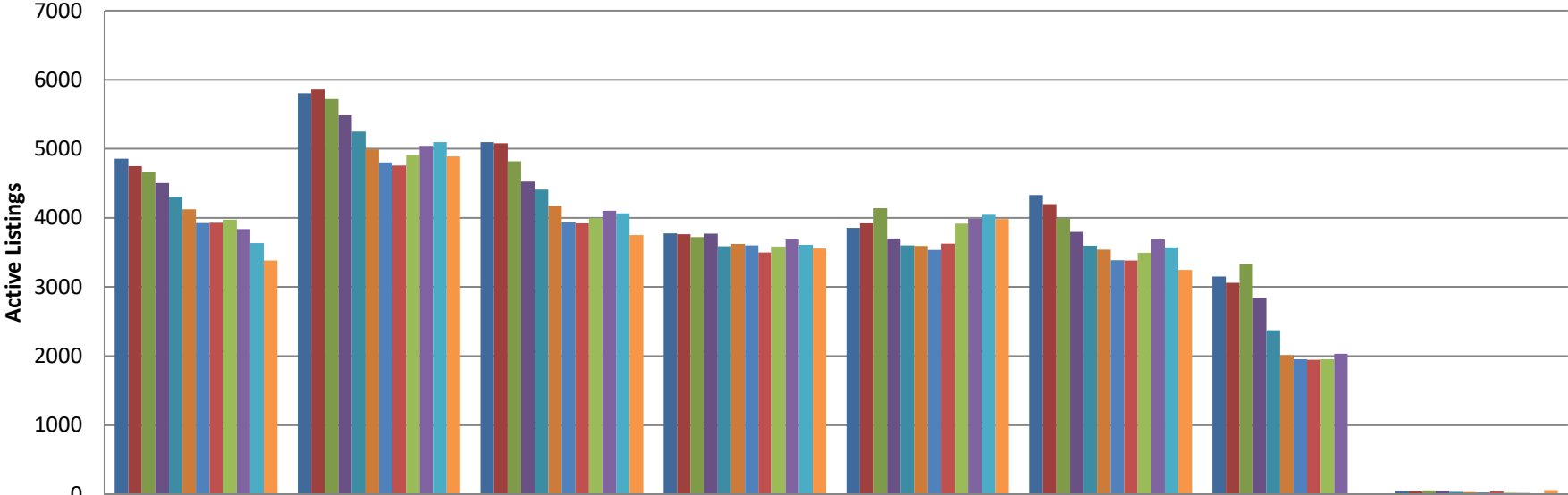
New Subscriber Count - 101

Membership Trends October 2020



Active Participants: 919

Inventory Trends October 2020




| | 2004 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Distressed |
|-----|------|------|------|------|------|------|------|------------|
| Jan | 4856 | 5803 | 5095 | 3777 | 3855 | 4329 | 3150 | 43 |
| Feb | 4750 | 5857 | 5078 | 3765 | 3922 | 4196 | 3059 | 43 |
| Mar | 4668 | 5721 | 4820 | 3721 | 4140 | 3989 | 3330 | 54 |
| Apr | 4505 | 5487 | 4525 | 3773 | 3700 | 3798 | 2842 | 49 |
| May | 4307 | 5250 | 4408 | 3589 | 3601 | 3598 | 2371 | 32 |
| Jun | 4123 | 4992 | 4175 | 3624 | 3593 | 3538 | 2012 | 29 |
| Jul | 3926 | 4803 | 3936 | 3602 | 3536 | 3388 | 1956 | 25 |
| Aug | 3927 | 4758 | 3919 | 3500 | 3627 | 3381 | 1946 | 42 |
| Sep | 3976 | 4909 | 3996 | 3587 | 3918 | 3493 | 1954 | 22 |
| Oct | 3838 | 5043 | 4103 | 3689 | 3988 | 3687 | 2035 | 17 |
| Nov | 3633 | 5096 | 4067 | 3611 | 4046 | 3571 | | |
| Dec | 3383 | 4888 | 3752 | 3557 | 3982 | 3245 | | 58 |

*Beginning January 2016, inventory market area has been adjusted to include the entire MLSSAZ Service Area including Coshise, Graham, and Greenlee counties.


RESIDENTIAL WEEKLY STATISTICS

2020 *dates denote week ending



| | Sold | New | Pending | Withdrawn | Cancelled | Back On Market | Active in Range | Current Active | Coming Soon | Virtual Open House | In-Person Open House |
|--------|------|-----|---------|-----------|-----------|----------------|-----------------|----------------|-------------|--------------------|----------------------|
| 10-Jul | 182 | 320 | 217 | 18 | 36 | 93 | 3,467 | 3,186 | 40 | 5 | 214 |
| 17-Jul | 306 | 339 | 299 | 14 | 42 | 111 | 3504 | 3135 | 39 | 5 | 247 |
| 24-Jul | 280 | 321 | 272 | 31 | 38 | 110 | 3413 | 3073 | 47 | 0 | 274 |
| 31-Jul | 344 | 315 | 304 | 27 | 41 | 99 | 3339 | 2966 | 65 | 4 | 287 |
| 7-Aug | 316 | 378 | 233 | 25 | 41 | 100 | 3240 | 2931 | 62 | 2 | 289 |
| 14-Aug | 268 | 372 | 227 | 14 | 44 | 105 | 3333 | 3039 | 51 | 0 | 324 |
| 21-Aug | 302 | 380 | 281 | 21 | 47 | 89 | 3397 | 3030 | 65 | 0 | 359 |
| 28-Aug | 270 | 344 | 249 | 18 | 36 | 100 | 3377 | 3065 | 68 | 0 | 397 |
| 4-Sep | 316 | 392 | 244 | 22 | 40 | 97 | 3424 | 3090 | 69 | 0 | 340 |
| 11-Sep | 225 | 382 | 211 | 19 | 27 | 99 | 3445 | 3163 | 56 | 2 | 349 |
| 18-Sep | 276 | 408 | 259 | 27 | 40 | 110 | 3562 | 3211 | 53 | 0 | 329 |
| 25-Sep | 257 | 369 | 301 | 25 | 41 | 97 | 3576 | 3189 | 65 | 0 | 357 |
| 2-Oct | 414 | 423 | 323 | 19 | 52 | 105 | 3585 | 3156 | 67 | 0 | 346 |
| 9-Oct | 311 | 471 | 331 | 19 | 40 | 119 | 3574 | 2837 | | 0 | 372 |
| 16-Oct | 328 | 398 | 270 | 21 | 30 | 98 | 3590 | 3218 | 47 | 0 | 400 |
| 23-Oct | 307 | 375 | 279 | 24 | 27 | 112 | 3595 | 3239 | 62 | 0 | 395 |
| 30-Oct | 334 | 345 | 315 | 33 | 51 | 119 | 3572 | 3147 | 48 | 0 | 370 |

2019 *dates denote week ending



| | Sold | New | Pending | Withdrawn | Cancelled | Back On Market | Active in Range | Current Active | Open Houses |
|--------|------|-----|---------|-----------|-----------|----------------|-----------------|----------------|-------------|
| 10-Jul | 279 | 358 | 317 | 20 | 45 | 112 | 4389 | 54 | 343 |
| 17-Jul | 372 | 451 | 362 | 35 | 64 | 96 | 4473 | 54 | 459 |
| 24-Jul | 328 | 367 | 341 | 22 | 56 | 96 | 4401 | 55 | 403 |
| 31-Jul | 340 | 355 | 363 | 24 | 66 | 108 | 4,351 | 53 | 447 |
| 7-Aug | 402 | 377 | 340 | 29 | 64 | 84 | 4,236 | 50 | 404 |
| 14-Aug | 289 | 369 | 307 | 15 | 53 | 109 | 4,219 | 51 | 433 |
| 21-Aug | 346 | 387 | 315 | 25 | 74 | 108 | 4,236 | 49 | 422 |
| 28-Aug | 285 | 411 | 345 | 23 | 49 | 93 | 4,211 | 46 | 448 |
| 4-Sep | 379 | 351 | 329 | 30 | 42 | 77 | 4,186 | 44 | 367 |
| 11-Sep | 322 | 453 | 319 | 23 | 66 | 94 | 4,220 | 46 | 402 |
| 18-Sep | 303 | 395 | 310 | 21 | 55 | 102 | 4,215 | 44 | 417 |
| 25-Sep | 296 | 387 | 281 | 22 | 37 | 104 | 4,222 | 45 | 426 |
| 2-Oct | 434 | 406 | 350 | 38 | 61 | 100 | 4,296 | 45 | 394 |
| 9-Oct | 269 | 422 | 279 | 21 | 45 | 106 | 4,247 | 45 | 469 |
| 16-Oct | 274 | 412 | 271 | 17 | 60 | 91 | 4,306 | 46 | 520 |
| 23-Oct | 290 | 401 | 313 | 26 | 53 | 87 | 4,356 | 44 | 540 |
| 31-Oct | 307 | 372 | 312 | 17 | 57 | 95 | 4,319 | 36 | 511 |

RESIDENTIAL WEEKLY STATISTICS

| <u>Sold</u> | | | <u>Cancelled</u> | | |
|---------------|---------------|------------------------|-----------------------|---------------|------------------------|
| <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> | <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> |
| 316 | 344 | -8.14% | 41 | 51 | -19.61% |
| <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> | <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> |
| 268 | 316 | -15.19% | 44 | 70 | -37.14% |
| <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> | <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> |
| 302 | 268 | 12.69% | 47 | 44 | 6.82% |
| <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> | <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> |
| 270 | 302 | -10.60% | 36 | 47 | -23.40% |
| <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> | <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> |
| 316 | 270 | 17.04% | 40 | 36 | 11.11% |
| <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> | <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> |
| 225 | 316 | -28.80% | 27 | 40 | -32.50% |
| <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> | <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> |
| 276 | 225 | 22.67% | 40 | 27 | 48.15% |
| <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> | <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> |
| 257 | 276 | -6.88% | 41 | 40 | 2.50% |
| <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> | <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> |
| 414 | 257 | 61.09% | 105 | 41 | 156.10% |
| <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> | <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> |
| 311 | 414 | -24.88% | 40 | 52 | -23.08% |
| <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> | <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> |
| 328 | 311 | 5.47% | 30 | 40 | -25.00% |
| <u>23-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> | <u>23-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> |
| 307 | 328 | -6.40% | 27 | 30 | -10.00% |
| <u>30-Oct</u> | <u>23-Oct</u> | <u>Weekly % Change</u> | <u>30-Oct</u> | <u>22-Oct</u> | <u>Weekly % Change</u> |
| 334 | 307 | 8.79% | 51 | 27 | 88.89% |
| <u>New</u> | | | <u>Back on Market</u> | | |
| <u>31-Jul</u> | <u>24-Jul</u> | <u>Weekly % Change</u> | <u>31-Jul</u> | <u>24-Jul</u> | <u>Weekly % Change</u> |
| 315 | 321 | -1.87% | 99 | 110 | -10.00% |
| <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> | <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> |
| 378 | 315 | 20.00% | 100 | 99 | 1.01% |
| <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> | <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> |
| 372 | 378 | -1.59% | 105 | 100 | 5.00% |
| <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> | <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> |
| 380 | 372 | 2.15% | 89 | 105 | -15.24% |
| <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> | <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> |
| 344 | 380 | -9.47% | 100 | 89 | 12.36% |
| <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> | <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> |
| 392 | 344 | 13.95% | 97 | 100 | -3.00% |
| <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> | <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> |
| 382 | 392 | -2.55% | 99 | 97 | 2.06% |
| <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> | <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> |
| 408 | 382 | 6.81% | 110 | 99 | 11.11% |
| <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> | <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> |
| 369 | 408 | -9.56% | 97 | 110 | -11.82% |
| <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> | <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> |
| 423 | 369 | 14.63% | 105 | 97 | 8.25% |
| <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> | <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> |
| 471 | 423 | 11.35% | 119 | 105 | 13.33% |
| <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> | <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> |
| 398 | 471 | -15.50% | 98 | 119 | -17.65% |
| <u>23-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> | <u>23-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> |
| 375 | 398 | -5.78% | 112 | 98 | 14.29% |
| <u>30-Oct</u> | <u>23-Oct</u> | <u>Weekly % Change</u> | <u>30-Oct</u> | <u>23-Oct</u> | <u>Weekly % Change</u> |
| 345 | 375 | -8.00% | 119 | 112 | 6.25% |

Pending

| | | |
|----------------------|----------------------|-------------------------------|
| <u>31-Jul</u> | <u>24-Jul</u> | <u>Weekly % Change</u> |
| 304 | 272 | 11.76% |
| <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> |
| 233 | 304 | -23.36% |
| <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> |
| 227 | 233 | -2.58% |
| <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> |
| 281 | 227 | 23.79% |
| <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> |
| 249 | 281 | -11.39% |
| <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> |
| 244 | 249 | -2.01% |
| <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> |
| 211 | 244 | -13.52% |
| <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> |
| 259 | 211 | 22.75% |
| <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> |
| 301 | 259 | 16.22% |
| <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> |
| 323 | 301 | 7.31% |
| <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> |
| 331 | 323 | 2.48% |
| <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> |
| 270 | 331 | -18.43% |
| <u>22-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> |
| 279 | 270 | 3.33% |
| <u>30-Oct</u> | <u>22-Oct</u> | <u>Weekly % Change</u> |
| 315 | 279 | 12.90% |

Withdrawn

| | | |
|----------------------|----------------------|-------------------------------|
| <u>31-Jul</u> | <u>24-Jul</u> | <u>Weekly % Change</u> |
| 27 | 31 | -12.90% |
| <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> |
| 25 | 27 | -7.41% |
| <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> |
| 14 | 25 | -44.00% |
| <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> |
| 21 | 14 | 50.00% |
| <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> |
| 18 | 21 | -14.29% |
| <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> |
| 22 | 18 | 22.22% |
| <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> |
| 19 | 22 | -13.64% |
| <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> |
| 27 | 19 | 42.11% |
| <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> |
| 25 | 27 | -7.41% |
| <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> |
| 19 | 25 | -24.00% |
| <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> |
| 19 | 19 | 0.00% |
| <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> |
| 21 | 19 | 10.53% |
| <u>22-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> |
| 24 | 21 | 14.29% |
| <u>30-Oct</u> | <u>22-Oct</u> | <u>Weekly % Change</u> |
| 33 | 24 | 37.50% |

Active Listings

| | | |
|----------------------|----------------------|-------------------------------|
| <u>31-Jul</u> | <u>24-Jul</u> | <u>Weekly % Change</u> |
| 2966 | 3073 | -3.48% |
| <u>7-Aug</u> | <u>31-Jul</u> | <u>Weekly % Change</u> |
| 2931 | 2966 | -1.18% |
| <u>14-Aug</u> | <u>7-Aug</u> | <u>Weekly % Change</u> |
| 3039 | 2931 | 3.68% |
| <u>21-Aug</u> | <u>14-Aug</u> | <u>Weekly % Change</u> |
| 3030 | 3039 | -0.30% |
| <u>28-Aug</u> | <u>21-Aug</u> | <u>Weekly % Change</u> |
| 3065 | 3030 | 1.16% |
| <u>4-Sep</u> | <u>28-Aug</u> | <u>Weekly % Change</u> |
| 3090 | 3065 | 0.82% |
| <u>11-Sep</u> | <u>4-Sep</u> | <u>Weekly % Change</u> |
| 3163 | 3090 | 2.36% |
| <u>18-Sep</u> | <u>11-Sep</u> | <u>Weekly % Change</u> |
| 3211 | 3163 | 1.52% |
| <u>25-Sep</u> | <u>18-Sep</u> | <u>Weekly % Change</u> |
| 3189 | 3211 | -0.69% |
| <u>2-Oct</u> | <u>25-Sep</u> | <u>Weekly % Change</u> |
| 3156 | 3189 | -1.03% |
| <u>9-Oct</u> | <u>2-Oct</u> | <u>Weekly % Change</u> |
| 2837 | 3156 | -10.11% |
| <u>16-Oct</u> | <u>9-Oct</u> | <u>Weekly % Change</u> |
| 3218 | 2837 | 13.43% |
| <u>22-Oct</u> | <u>16-Oct</u> | <u>Weekly % Change</u> |
| 3239 | 3218 | 0.65% |
| <u>30-Oct</u> | <u>22-Oct</u> | <u>Weekly % Change</u> |
| 3147 | 3218 | -2.21% |



| MLSSAZ Programs, Products and Services | Start Date | Timeline | Status | Lead | Budget |
|--|------------|------------|--|-----------------|------------------------|
| Goal #1 Hub of Data, Resources and connections | | | | | |
| Goal #2 Education and Training-Participants and Subscribers | | | | | |
| Create Video and Webinar Library-(Rename-Playlist) | | | | | |
| Organize and define categories | 8/1/2020 | 12/15/2020 | Redo and prioritize for website | Amy | none |
| Determine links and access | 9/1/2020 | 12/15/2020 | *in process, change to current sites | Amy/Jennifer | none |
| Determine plan for communication to customers | 9/15/2020 | 12/1/2020 | | Jennifer | none |
| Develop "Why they need it" series | | | | | |
| Determine topics for agent to use with buyer and sellers | 9/15/2020 | 10/1/2020 | | BethAnn/Amy | none |
| Quick Start Guides | | | | | |
| Determine products needing quick start | 6/1/2020 | 9/20/2020 | *Top 5 products selected CCP, CS, Showing time, Stats | BethAnn | none |
| Develop one page guides | 6/1/2020 | 12/31/2020 | CCP-done, Showingtime-done, App video done | BethAnn | \$250 copies |
| Agent/Brokerage Training | | | | | |
| Determine various segments of Agents/brokerage and needs | 9/20/2020 | 9/30/2020 | * on-going and as requested training happening | BethAnn | none |
| Determine top 5 office needs (ex. Listing transfers, etc) | 7/1/2020 | 9/1/2020 | *completed. Training to implement | BethAnn | none |
| develop education and awareness plan | 9/1/2020 | 10/15/2020 | *in process, Training working on plan | BethAnn/Jen | none |
| Determine top 5 Agent needs | 9/1/2020 | 10/15/2020 | | BethAnn | none |
| develop education and awareness plan (Tips and tricks) | 9/15/2020 | 10/30/2020 | *in process, Tutorial Tuesday's, additional options | BethAnn/Amy | none |
| MLS Class 1 | | | | | |
| Evaluate delivery and plan during COVID -new agents | 6/1/2020 | 7/1/2020 | Training adjusted to zoom and video, completed | BethAnn | none |
| Develop refresher on-line course-all agents | 10/1/2020 | 10/31/2020 | | Amy | none |
| Goal #2 Customer Service | | | | | |
| SUPRA Lock Box support hours | | | | | |
| Adjusted hours for efficiency/covid | 6/1/2020 | 6/30/2020 | complete and continuing through year end | Amy | none |
| Tech Support Hours | | | | | |
| Adjust temp hours for Covid/Saturday hours-Future hours | 5/1/2020 | 12/31/2020 | complete, continue through year end. New staff added | Randy | none, in place already |
| Determine need for expanded hours | 8/1/2020 | 9/30/2020 | initial discussion, staffing roles in process*complete | Randy | TBD |
| Finalize and implement expanded hours pilot program | 10/1/2020 | 10/15/2020 | * no adjustment to current hours, 2 new staff added | Randy | |
| Review success and adjust for 2021 | 12/1/2020 | 12/15/2020 | Will continue expanded hours in 2021 | Randy | |
| Helpdesk/Tech Support customer service system | | | | | |
| Determine needs and outcome for system | 7/1/2020 | 8/30/2020 | in process, 8/20 final team review* completed | Randy | TBD, in process |
| Review of 5-8 other MLS's | 6/1/2020 | 8/1/2020 | *completed, zendesk is top | Christine | |
| Vendor review | 8/1/2020 | 8/30/2020 | in process, 8/20 final team review*completed | Randy/Christine | |
| Implementation | 9/15/2020 | 10/15/2020 | *Implementation in process, December launch | Christine | |
| Define service delivery needs for region | | | | | |
| ExComm and Board to determine overall plan | 8/1/2020 | 12/1/2020 | *cease SCCBR service agreement, no other change | Randy | TBD, 2021 plan |
| Goal #5 Value of MLSSAZ Brand | | | | | |

| Goal #5 Robust Market Reports | | | | | | |
|---|-----------|------------|---|------------------|--------------|--|
| Market Stats review (adoption rates, success, needs for training/promo) | 10/1/2020 | 10/30/2020 | *Classes and videos available; 2021 quarterly review | Randy | none | |
| Data Quality and Technology | | | | | | |
| Goal #4 Application of Advanced Technology | | | | | | |
| Showing Time review (adoption rates, success, needs for training) | 9/1/2020 | 11/30/2020 | *continued training needed, video and classes available | Randy/Tech Com | none | |
| Clear Cooperation Policy and Coming Soon review (success, needs) | 8/1/2020 | 12/31/2020 | *workgroup sent survey, review in November for change | Andrew | none | |
| Supra lockbox review (success, needs, training) | 7/1/2020 | 10/31/2020 | *completed, training with videos, on site | Amy | none | |
| Active key retirement | 7/1/2020 | 12/31/2020 | *in process, under 375 left. Communication ongoing | Amy | none | |
| Clarity/CRS Product review | 7/1/2020 | 11/1/2020 | *December Tech Committee review | Lori/Tech Com | none | |
| Goal #3 Regional integration and Quality of Data | | | | | | |
| Regional data integration success review and needs | 10/1/2020 | 11/30/2020 | *move to review in 2021 | Tech Com/Lori | none | |
| Property Mgmt compliance issues and concerns | 8/1/2020 | 10/30/2020 | *Workgroup completed* listing input sheet change need | Andrew/Lori/Exec | none | |
| Compliance-proactive review plan established and executed | 7/1/2020 | 12/31/2020 | *on-going, new staff added. Review plan in place | Andrew/Standard | none | |
| Profile Sheet review (if needed) | 10/1/2020 | 12/31/2020 | *Completed | Tech Com/Lori | TBD | |
| Goal #3 Data Expansion | | | | | | |
| Property Mgmt/Rental Property enhancement w/FlexMLS | | | | | | |
| Workgroup established | 8/10/2020 | 8/31/2020 | *Completed | President/Andrew | none | |
| Review input sheet/Flex fields | 8/10/2020 | 9/30/2020 | *Completed, fields changed, communication needed | Lori/Tech Com | none | |
| Enhancement to rules and regulations | 8/10/2020 | 11/30/2020 | * in process from workgroup | Andrew/Standard | none | |
| Marketing, Communication and Outreach | | | | | | |
| Website RFP development | | | | | | |
| Workgroup chair and members and liaison determined | 7/1/2020 | 8/1/2020 | complete | Jennifer | none | |
| Workgroup Goals and meetings scheduled | 7/1/2020 | 8/30/2020 | * Completed | Jennifer | none | |
| Website capabilities, audience, update plan | 8/1/2020 | 9/30/2020 | *Completed | Workgroup/Jen | none | |
| Evaluate other Websites (top 5) | 8/1/2020 | 8/30/2020 | *Completed | Workgroup/Jen | none | |
| RFP completed, sent, final company selected | 10/1/2020 | 11/15/2020 | *Vendor selected, Mid December launch | Workgroup/Exec | TBD | |
| Information Delivery Methods | | | | | | |
| Texting | 10/1/2020 | 11/30/2020 | *vendor selected. Program ready | Jennifer | TBD, system? | |
| Develop guidelines of use | 10/1/2020 | 10/30/2020 | *draft in place, refining | Jennifer | none | |
| Implement plan for use | 11/1/2020 | 11/30/2020 | *as needed per ExComm, limited use | Jennifer | none | |
| Newsletter | | | | | | |
| Template review and frequency determination | 7/1/2020 | 8/30/2020 | complete, monthly to all, segments still to go | Jennifer | none | |
| Audience segmentation determined (Participant, Mgr, subscriber) | 9/1/2020 | 9/30/2020 | Broker/Mgr newsletter and subscriber newsletter | Jennifer | none | |
| Implementation of monthly newsletter | 8/1/2020 | 12/31/2020 | *first newsletter drop September, Broker/mgr also sent | Jennifer | none | |
| Plan and process for each group and each item communicated | 9/1/2020 | 9/30/2020 | | Jennifer | none | |
| Different subject lines, messages for each group determined | 9/1/2020 | 9/1/2020 | *completed but will have adjustments, Bkr, mgr, agent | Jennifer | none | |
| Training Communication Plan | | | | | | |
| Determine plan for each audience to communicate Goal #2 efforts | 9/1/2020 | 11/1/2020 | * in process, staff trainer in place | Jennifer | none | |

| Organizational Development and Sustainability | | | | | |
|--|-----------|------------|---|------------------|-----------------------|
| Goal #7 Efficient and Effective Business Model | | | | | |
| VPN/Technology enhancements-for tech support effectiveness | 7/1/2020 | 9/15/2020 | updates complete, final phase in process*completed | Brian | \$5000/split with TAR |
| Server upgrades, wireless enhancements | 7/1/2020 | 8/30/2020 | updates complete | Brian | \$5000/split with TAR |
| IT/Data Audit and security test | 9/1/2020 | 9/30/2020 | *completed, bi-annual test on-going | Randy/Brian | TBD |
| Business Plan review and adjustments COVID | 7/1/2020 | 8/30/2020 | adjustments made, August Board review*completed | Randy | none |
| Organizational Staff Roles review | | | | | |
| Determine needs and execute additions,changes | 7/1/2020 | 9/30/2020 | *review complete, staff added, roles defined | Randy | TBD |
| Staff training Plan | | | | | |
| Cross training plan and execution of plan | 9/1/2020 | 10/31/2020 | *in process, Gateway, compliance, training | BethAnn | none |
| Life of an agent/brokerage series plan and implementation | 9/1/2020 | 10/31/2020 | * in process, first office complete, list developed | BethAnn | none |
| | | | * MLS contact sheet developed* on-going | | |
| Goal #7 Expansion/Growth Strategy | | | | | |
| Analysis of pandemic impact | 10/1/2020 | 12/31/2020 | *fees renewal strong, budget and plan for 2021 in place | Exec/Board/Randy | none |
| Plan established based on review of impact | 11/1/2020 | 12/31/2020 | *revised strategic plan for 2021-23 completed | Exec/Board/Randy | TBD |
| Goal #7 Leadership and Governance | | | | | |
| Research changes if needed and complete | 9/1/2020 | 11/30/2020 | *move to 2021 | Exec/Board/Randy | none |
| Goal #7 Resource Capacity | | | | | |
| Review Reserve requirements and adjustments | 7/1/2020 | 8/31/2020 | *Nov Board discussion | Randy/Exec | none |
| Cooperative Agreement review and adjustments | 9/1/2020 | 9/30/2020 | *reviewed monthly, further review in 2021 with history | Randy/Exec | TBD |
| 2021 Service Center Agreements reviewed, completed | 7/1/2020 | 8/30/2020 | *SC ceased, GV next 8/10/20*GV completed | Randy/Exec | TBD |
| 2021 Budget Planning and adoption | 8/1/2020 | 11/1/2020 | *completed and approved | Randy/Exec | none |
| Billing Cycle Review 2020/21 | 8/1/2020 | 8/30/2020 | Cycle complete, 97% renewal*completed | Randy/Exec | none |

Professional Development MLSSAZ Oct 2020 Summary

| | Registered | Attended 2020 | Attended 2019 |
|--|------------|---------------------|------------------|
| MLSSAZ Training | 1 broker | | |
| | 12 opens | | |
| | 63 | 43 | 69 |
| MLSAZ Videos | | 373 | 480 |
| MLSSAZ Total Connections | | 416 | 549 (25%) |
| New member | 36 | 22 | |
| | 34 | 24 | |
| | 28 | 20 | |
| | 98 | 66 | 85 |
| Members For Consent | | 46 | |
| CE Offered | 228 | 178 | 231 |
| | 7 classes | 7 classes | 5 classes |
| | | (2 online, 1 night) | |
| Professional Dev | 58 | 58 | 43 |
| | | 7 classes | 3 classes |
| | 447 | 345 | 428 |
| <p>We have to offer twice as many classes in ZOOM to approach the classroom attendance of 2019</p> <p>23% No show Rate</p> <p>MLSSAZ Broker meeting trainings down 75% with no sales meetings in person</p> <p>Members beginning to state "ZOOM fatigue" as no show reason</p> | | | |



- 2021 Transition-working on new committees, chairs and workgroups
- Installation will be a little different this year but it is on December 19. Thank you for changing the Board meeting to assist
- TAR has paid off the mortgage on the building.
- TRCF had an Un-Golf event that raised over \$20,000 for Boulder Crest Veteran's group.
- RAPAC exceeded goal and raised over \$130,000 with 41 Major investors and 28% participation rate
- TAR is working to redo the affiliate engagement and not only have increased numbers but also have more engagement

Multiple Listing Service of Southern Arizona
Balance Sheet
As of October 31, 2020

| | 10/31/2020 | 10/31/2019 |
|---|------------------|------------------|
| ASSETS | | |
| Current Assets | | |
| Bank Accounts | | |
| 1000 Wells Fargo Operating 0242 | 1,628,691 | 1,572,815 |
| 5048 Morgan Stanley Investments | 1,045,213 | 1,019,061 |
| Total Bank Accounts | 2,673,104 | 2,591,876 |
| Other Current Assets | | |
| 5000 A/R Ramco | 2,176 | 15,905 |
| 5001 Cash Receipts | 7 | 16 |
| 5003 Credit Card Receipts | 1,775 | 1,763 |
| Total 5000 A/R Ramco | 4,628 | 18,354 |
| 5110 Federal Corp Tax Deposit | 2,668 | 40,800 |
| 5390 Retail Store Inventory | 11,868 | 7,464 |
| 5395 SUPRA Inventory | 40,814 | 82,797 |
| 5605 Prepaid Expenses | 7,307 | 392 |
| Total Other Current Assets | 67,286 | 149,807 |
| Total Current Assets | 2,740,390 | 2,741,683 |
| Fixed Assets | | |
| 5606 Fixed Asset Software | 10,770 | |
| Total Fixed Assets | 10,770 | |
| Other Assets | | |
| 5610 Intercompany TAR -0234 | | 109,267 |
| 6015 Intercompany Charitable Foundation -0259 | | 180 |
| 6316 Due to PSF (RAPAC) | | (7,830) |
| Total Other Assets | | 101,617 |
| TOTAL ASSETS | 2,751,160 | 2,843,301 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| 6000 Accounts Payable | 89,739 | 105,933 |
| Total Accounts Payable | 89,739 | 105,933 |
| Other Current Liabilities | | |
| 6100 Current Sales Tax Collected | 471 | 4,967 |
| 6265 Taxes Payable | | (63,463) |
| 6300 Deferred Revenues | | |
| 6310 Deferred Agent Fee Income | | |
| 6310-2 Deferred Agent Fee 2019-2020 | | 1,281,729 |
| 6310-3 Deferred Agent Fee 2020-2021 | 1,321,454 | |
| Total 6310 Deferred Agent Fee Income | 1,321,454 | 1,281,729 |
| 6311 Deferred Sec/PA Fee Income | | |
| 6311-2 Deferred Sec/PA Fee 2019-2020 | | 21,837 |
| 6311-3 Deferred Sec/PA Fee 2020 - 2021 | 22,690 | |
| Total 6311 Deferred Sec/PA Fee Income | 22,690 | 21,837 |
| 6315 Deferred SUPRA Admin Fees | (8,942) | 25,342 |

Multiple Listing Service of Southern Arizona
Balance Sheet
As of October 31, 2020

| | <u>10/31/2020</u> | <u>10/31/2019</u> |
|---|-------------------|-------------------|
| 6315-0 Deferred Supra Admin Fee - Quarterly | (26,543) | |
| Total 6315 Deferred SUPRA Admin Fees | (35,486) | 25,342 |
| Total 6300 Deferred Revenues | 1,308,659 | 1,328,908 |
| 6390 CMLS Conference | (180) | |
| Total Other Current Liabilities | 1,308,950 | 1,270,413 |
| Total Current Liabilities | 1,398,689 | 1,376,345 |
| Total Liabilities | 1,398,689 | 1,376,345 |
| Equity | | |
| 30000 Opening Balance Equity | 647,500 | 462,500 |
| 32000 Retained Earnings | (258,715) | (599,105) |
| 6500 Capital Stock; No Par | 11,561 | 11,561 |
| 6510 Paid in Capital | 39,876 | 39,876 |
| 6520 Dividends | (559,208) | (184,546) |
| 6538 Designated Net Assets | 790,845 | 1,094,781 |
| Net Income | 680,612 | 641,888 |
| Total Equity | 1,352,471 | 1,466,955 |
| TOTAL LIABILITIES AND EQUITY | 2,751,160 | 2,843,301 |

Multiple Listing Service of Southern Arizona
Budget vs. Actuals
January - October 2020

| | Oct 2020 | | | | Total | | | | Annual Budget |
|--|-----------------|----------------|-----------------|-----------------|------------------|------------------|------------------|----------------|------------------|
| | Actual | Budget | over Budget | % of Budget | Actual | Budget | over Budget | % of Budget | |
| Income | | | | | | | | | |
| 700001 Relist Fee Income | 1,320 | 1,250 | 70 | 105.60% | 9,090 | 12,500 | (3,410) | 72.72% | 15,000 |
| 700501 Agent Fees | 165,182 | 157,083 | 8,098 | 105.16% | 1,658,666 | 1,570,833 | 87,832 | 105.59% | 1,885,000 |
| 701501 Late Fees | 2,025 | 2,917 | (892) | 69.43% | 18,375 | 29,167 | (10,792) | 63.00% | 35,000 |
| 702001 Office Initiation Fees | 3,500 | 2,396 | 1,104 | 146.09% | 31,000 | 23,958 | 7,042 | 129.39% | 28,750 |
| 702501 Agent Application Fees | 17,100 | 12,500 | 4,600 | 136.80% | 128,475 | 125,000 | 3,475 | 102.78% | 150,000 |
| 703001 Secretary/Personal Asst Fees | 2,836 | 2,917 | (80) | 97.24% | 30,254 | 29,167 | 1,087 | 103.73% | 35,000 |
| 703201 Non-Member Fees | | 1,438 | (1,438) | | | 14,375 | (14,375) | | 17,250 |
| 706802 Advertising Income(1) | | 250 | (250) | | | 2,500 | (2,500) | | 3,000 |
| 707004 MLS Fines | | 42 | (42) | | 800 | 417 | 383 | 191.98% | 500 |
| 723102 IDX Data Feed Income | | | | | 1,000 | | 1,000 | | |
| 726002 Revenue Agreements Income | 657 | 750 | (93) | 87.63% | 6,837 | 7,500 | (663) | 91.16% | 9,000 |
| 735003 Retail Store Income | 1,505 | 3,500 | (1,995) | 42.99% | 18,648 | 35,000 | (16,352) | 53.28% | 42,000 |
| 737103 IBox Income | 5,729 | 5,500 | 229 | 104.16% | 57,222 | 55,000 | 2,222 | 104.04% | 66,000 |
| 737503 Administration IBox & Card | | 250 | (250) | | | 2,500 | (2,500) | | 3,000 |
| 737801 SUPRA Administration Fee | 32,748 | 15,900 | 16,848 | 205.96% | 318,496 | 159,000 | 159,496 | 200.31% | 190,800 |
| Total Income | 232,602 | 206,692 | 25,910 | 112.54% | 2,278,861 | 2,066,917 | 211,944 | 110.25% | 2,480,300 |
| Cost of Goods Sold | | | | | | | | | |
| 755005 Retail Store Cost of Sales | 1,129 | 2,500 | (1,372) | 45.14% | 13,922 | 25,000 | (11,078) | 55.69% | 30,000 |
| 864005 IBox Expense | 4,297 | 4,583 | (287) | 93.75% | 42,916 | 45,833 | (2,917) | 93.64% | 55,000 |
| Total Cost of Goods Sold | 5,425 | 7,083 | (1,658) | 76.59% | 56,838 | 70,833 | (13,996) | 80.24% | 85,000 |
| Gross Profit | 227,177 | 199,608 | 27,568 | 113.81% | 2,222,023 | 1,996,083 | 225,940 | 111.32% | 2,395,300 |
| Expenses | | | | | | | | | |
| 805507 Dues & Subscriptions | 60 | | 60 | | 772 | | 772 | | |
| 807007 Staff Memberships | 529 | 533 | (4) | 99.22% | 5,292 | 5,333 | (42) | 99.22% | 6,400 |
| 807505 Committee Meals & Entertainment | | 33 | (33) | | 346 | 333 | 13 | 103.92% | 400 |
| 807507 Board of Directors Travel | | | | | | | | | |
| 817508 Credit Card Service Charges | 1,520 | 3,750 | (2,230) | 40.53% | 50,723 | 37,500 | 13,223 | 135.26% | 45,000 |
| 818806 Conference Registrations | | | | | 4,117 | | 4,117 | | |
| 818807 MLS Staff Travel | | 4,167 | (4,167) | | 3,301 | 41,667 | (38,366) | 7.92% | 50,000 |
| 831006 MLS Comp User Paymts | 38,594 | 37,375 | 1,219 | 103.26% | 380,334 | 373,750 | 6,584 | 101.76% | 448,500 |
| 833006 Public Records Data | 15,222 | 15,191 | 31 | 100.20% | 137,091 | 151,910 | (14,819) | 90.24% | 182,292 |
| 835806 Clarity Security Systems | 11,451 | 10,561 | 890 | 108.43% | 110,453 | 105,610 | 4,843 | 104.59% | 126,732 |
| 836006 Showing Time | 7,842 | 5,850 | 1,992 | 134.06% | 74,244 | 58,500 | 15,744 | 126.91% | 70,200 |
| 836007 Showing Time Service | 5,632 | | 5,632 | | 11,528 | | 11,528 | | |
| 836506 Current Software Improvements | | 833 | (833) | | 608 | 8,333 | (7,726) | 7.29% | 10,000 |
| 837006 Web Site Redesign | | 1,667 | (1,667) | | | 16,667 | (16,667) | | 20,000 |
| 844008 Legal Expense | 1,790 | 1,167 | 623 | 153.40% | 15,924 | 11,667 | 4,257 | 136.49% | 14,000 |
| 844608 Bank Fees | 781 | 667 | 114 | 117.09% | 7,250 | 6,667 | 583 | 108.75% | 8,000 |
| 846508 Audit and Taxes | | 2,103 | (2,103) | | | 21,033 | (21,033) | | 25,240 |
| 856510 MLS Business Planning | | 750 | (750) | | 3,313 | 7,500 | (4,187) | 44.17% | 9,000 |
| 880011 Community Donations | 500 | 833 | (333) | 60.00% | 10,500 | 8,333 | 2,167 | 126.00% | 10,000 |
| 880012 RAPAC Donations | | | | | 10,000 | | 10,000 | | |
| 885011 Misc Expense | | 167 | (167) | | 3,998 | 1,667 | 2,331 | 239.87% | 2,000 |
| 886009 GV Service Center Expense | 3,430 | 3,430 | | 100.00% | 34,300 | 34,300 | | 100.00% | 41,160 |
| 886109 GV Supra Disbursement | | 1,405 | (1,405) | | 14,533 | 14,050 | 483 | 103.44% | 16,860 |
| 887009 SC Service Center Expense | 2,350 | 2,350 | | 100.00% | 23,500 | 23,500 | | 100.00% | 28,200 |
| 887109 SC Supra Disbursement | | 520 | (520) | | 4,913 | 5,200 | (287) | 94.48% | 6,240 |
| 900209 TAR Cooperative Agreement | 61,952 | 83,333 | (21,382) | 74.34% | 632,691 | 833,333 | (200,643) | 75.92% | 1,000,000 |
| 901010 Regionalization Expenses(1) | | 2,083 | (2,083) | | | 20,833 | (20,833) | | 25,000 |
| 901410 Phone App Development | | 2,083 | (2,083) | | | 20,833 | (20,833) | | 25,000 |
| 901610 Broker/Participant Meetings | | 333 | (333) | | | 3,333 | (3,333) | | 4,000 |
| 901810 MLSSpecific Marketing | | 417 | (417) | | | 4,167 | (4,167) | | 5,000 |
| 901820 BOD Travel | | 1,383 | (1,383) | | | 13,833 | (13,833) | | 16,600 |
| Total Expenses | 151,653 | 182,985 | (31,333) | 82.88% | 1,539,727 | 1,829,853 | (290,126) | 84.14% | 2,195,824 |
| Net Operating Income | 75,524 | 16,623 | 58,901 | 454.33% | 682,296 | 166,230 | 516,066 | 410.45% | 199,476 |
| Other Income | | | | | | | | | |
| 740004 Operating Interest Income | 624 | | 624 | | 8,020 | | 8,020 | | |
| 744504 Unrealized Gain/(Loss) on Inve | (10,738) | 2,000 | (12,738) | -536.92% | (8,433) | 20,000 | (28,433) | -42.17% | 24,000 |
| Total Other Income | (10,115) | 2,000 | (12,115) | -505.73% | (413) | 20,000 | (20,413) | -2.07% | 24,000 |
| Other Expenses | | | | | | | | | |
| 870560 Interest, Penalty on Taxes | | | | | 1,271 | | 1,271 | | |
| 900008 Income Tax Expense(1) | | 5,833 | (5,833) | | | 58,333 | (58,333) | | 70,000 |
| Total Other Expenses | | 5,833 | (5,833) | | 1,271 | 58,333 | (57,062) | 2.18% | 70,000 |
| Net Other Income | (10,115) | (3,833) | (6,281) | 263.86% | (1,684) | (38,333) | 36,649 | 4.39% | (46,000) |
| Net Income | 65,409 | 12,790 | 52,620 | 511.42% | 680,612 | 127,897 | 552,715 | 532.16% | 153,476 |

**Multiple Listing Service of Southern Arizona
Equity and Reserve**

| | Net Income YTD | Equity | Current Assets | Due to/from | Current Liabilities | Cash Reserve | Annual Operating Expenses | Month of Reserve | 6-months | Excess |
|-------------------|---------------------------|---------------|---------------------------|--------------------|--------------------------------|-------------------------|--|-----------------------------|-----------------|------------------|
| 12/31/2017 | 182,663 | 634,631 | 1,601,942 | 27,106 | 994,417 | 634,631 | 1,494,097 | 5.1 | 747,049 | (112,417) |
| 12/31/2018 | 374,982 | 825,067 | 1,868,909 | (15,564) | 1,028,458 | 824,887 | 1,538,777 | 6.4 | 769,389 | 55,499 |
| 12/31/2019 | 559,208 | 1,231,067 | 2,401,107 | 42,559 | 1,212,599 | 1,231,067 | 1,747,324 | 8.5 | 873,662 | 357,405 |
| 1/31/2020 | 82,808 | 1,313,875 | 2,303,790 | (26,149) | 963,766 | 1,313,875 | 1,747,324 | 9.0 | 873,662 | 440,213 |
| 2/29/2020 | 114,003 | 1,345,070 | 2,201,037 | (70,612) | 785,355 | 1,345,070 | 1,747,324 | 9.2 | 873,662 | 471,408 |
| 3/31/2020 | 81,461 | 1,312,528 | 2,035,903 | (72,464) | 650,910 | 1,312,528 | 1,747,324 | 9.0 | 873,662 | 438,866 |
| 4/30/2020 | 208,943 | 1,440,010 | 1,953,465 | (49,686) | 463,769 | 1,440,010 | 1,747,324 | 9.9 | 873,662 | 566,348 |
| 5/31/2020 | 328,728 | 1,559,795 | 2,094,262 | (54,204) | 487,083 | 1,552,975 | 1,747,324 | 10.7 | 873,662 | 679,313 |
| 6/30/2020 | 432,600 | 1,104,460 | 1,814,005 | (28,951) | 687,414 | 1,097,640 | 1,747,324 | 7.5 | 873,662 | 223,978 |
| 7/31/2020 | 485,332 | 1,157,191 | 2,890,714 | (93,469) | 1,646,875 | 1,150,371 | 1,747,324 | 7.9 | 873,662 | 276,709 |
| 8/31/2020 | 569,635 | 1,241,494 | 2,941,273 | (156,749) | 1,549,850 | 1,234,674 | 1,747,324 | 8.5 | 873,662 | 361,012 |
| 9/30/2020 | 615,202 | 1,287,062 | 2,909,143 | | 1,628,902 | 1,280,242 | 1,747,324 | 8.8 | 873,662 | 406,580 |
| 10/31/2020 | 680,612 | 1,352,471 | 2,740,390 | | 1,398,689 | 1,341,701 | 1,747,324 | 9.2 | 873,662 | 468,039 |

MULTIPLE LISTING ISSUES AND POLICIES COMMITTEE

2020 REALTORS® CONFERENCE & EXPO

| | |
|-------------------|--------------------|
| CHAIR | Cindy Ariosa (MD) |
| VICE CHAIR | Jon Coile (MD) |
| COMMITTEE LIAISON | Shad Bogany (TX) |
| STAFF EXECUTIVE | Rodney Gansho (IL) |

Recommendations:

1. That the following guidance for Administrative Sanctions be added to the MLS Disciplinary Guidelines outlined in the *MLS Handbook* at Part Two, F. Enforcement of Rules, Section 5:

Administrative Sanctions

The following is guidance for issuing administrative sanctions for MLS rule violations:

- Category 1 violation means a rule violation relating to listing information provided by a participant or subscriber.
- Category 2 violation means a rule violation relating to IDX and VOW displays.
- Category 3 violation means a rule violation relating to cooperation with a fellow participant or subscriber, and mandatory submission of listings to the service

First Category 1 violation (or first violation within three [3] years):

Possible discipline:

- Letter of warning
- Fine of \$500 or less
- Attendance at relevant education session

Any combination of the above

Repeat Category 1 violation (within three [3] years):

Possible discipline:

- Attendance at relevant education session(s) or course
- Fine of \$2,000 or less

Any combination of the above

First Category 2 violation (or first violation within three [3] years):

Possible discipline

- Letter of reprimand
- Fine of \$2,000 or less
- Attendance at relevant education session(s)

Any combination of the above

Repeat Category 2 violation (within three [3] years):

Possible discipline:

- Attendance at relevant education session(s) or course
 - Fine of \$10,000 or less
 - Suspension from the MLS or from the MLS' lockbox key access for three (3) months or less
- Any combination of the above

First Category 3 violation (or first violation within three [3] years):

Possible discipline:

- Letter of reprimand
 - Fine of \$10,000 or less
 - Attendance at relevant education session(s)
 - Suspension from MLS or from use of the MLS' lockbox key access for ninety (90) days or less
- Any combination of the above

Repeat Category 3 violation (within three [3] years):

Possible discipline:

- Attendance at relevant education session(s) or course
 - Fine of \$15,000 or less
 - Suspension from MLS or from use of the MLS' lockbox key access for six (6) months or less
 - Termination from MLS or from use of the MLS' lockbox key access for 1 to 3 years
- Any combination of the above

MLSs are encouraged to use the MLS Schedule of Fines Table provided on NAR.realtor to establish standardized administrative sanctions for violations of the MLS rules.

[See Exhibit 1 titled "MLS Schedule of Fines Table"]

Scope of MLS Handbook for addressing MLS Rule Violations

Potential violations of the MLS rules will be processed in accordance with MLS Policy Statement 7.21, and under the process provided for in Section 9 of the NAR model MLS Rules and Regulations. Potential violations of a data license agreement are not governed by NAR policy and will thus follow the terms for resolution in the agreement itself. !

Rationale: This guidance will help MLSs identify appropriate discipline for violations of the MLS rules and apply such discipline consistently.

This recommendation may have financial impact on board or state associations (check one): Yes No
If yes, please attach a Program Impact Analysis Form as an Exhibit.

This recommendation has been reviewed by (check all that apply): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

- Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

- Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

Recommendations 2 and 3 should be considered together.

2. That MLS Participants and Subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by Participants and Subscribers before requiring a hearing.
3. That a copy of all administrative sanctions against a subscriber be sent to the subscriber's participant and that the participant be required to attend hearing(s) of a subscriber who has received more than three (3) administrative sanctions within a calendar year.

Rationale: Participants and subscribers must be held accountable to the MLS rules. The changes also emphasize the importance of a Participant's oversight for the actions of their affiliated subscribers.

Any participant or subscriber who loses the ability to receive an administrative sanction must attend a hearing to consider their actions consistent with the procedures in Section 9 of the MLS rules.

Pursuant to Policy Statement 7.9, an MLS participant includes the principal, partner, corporate officer, or branch office manager acting on behalf of a principal.

Pursuant to Section 14, Nature of Discipline, Code of Ethics and Arbitration Manual, MLSs may charge an administrative processing fee of up to \$500, in addition to any discipline imposed, used to help cover the costs of holding the hearing.

If these recommendations are approved, then MLS Handbook, Policy Statement 7.21 would be amended as follows:

(underlined text identifies additions, strike-through text identifies deletions)

Section 1 Appropriate Procedures for Rules Enforcement (Policy Statement 7.21)

Administrative Sanctions

In any instance where a participant in an association multiple listing service is charged with a violation of the MLS bylaws or rules and regulations of the service, and such charge does not include alleged violations of the Code of Ethics or the Standards of Conduct for MLS participants, or a request for arbitration, ~~it may be administratively considered and determined by the MLS governing committee or MLS board of directors~~ the MLS may impose administrative sanctions. If a violation is determined, ~~the committee or MLS board of directors may direct the imposition of sanction, provided that the~~ Recipients of such an administrative sanction may request a hearing before the professional standards committee of the association.

MLS Participants and Subscribers can receive no more than three (3) administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by Participants and Subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber's participant and the participant is required to attend the hearing of a subscriber who has received more than three (3) administrative sanctions within a calendar year. **M**

This recommendation may have financial impact on board or state associations (check one): Yes No

If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

4. **That MLSs be required to process a complaint without revealing the complainant's identity and that the MLS Committee, Grievance Committee, MLS staff, or other representative serve as the complainant if the complaint is forwarded to a hearing and the original complainant does not consent to participating in the process or disclosure his or her name.**

Rationale: By authorizing anonymous complaints of MLS rules, the enforcement process can eliminate the stigma of bringing questionable actions and business practices of other participants and subscribers to the attention of the MLS. Where a hearing is warranted, a complainant will need to be named and can be fulfilled by representatives of the MLS Committee, Grievance Committee, MLS staff, or others.

If this recommendation is approved, then *MLS Handbook*, Policy Statement 7.21 would be amended as follows:

(underlining text identifies additions)

Section 1 Appropriate Procedures for Rules Enforcement (Policy Statement 7.21)

Filing Complaints

When requested by a complainant, MLSs must provide a process for processing complaints without revealing the complainant's identity. If the complaint is forwarded to hearing, then the MLS Committee, Grievance Committee, MLS staff or other representative must serve as the complainant when the original complainant does not consent to participating in the process or the disclosure of his or her name. ... M

This recommendation may have financial impact on board or state associations (*check one*): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

5. That Web API data access provided to participants and subscribers by MLSs must have no less than the same data available via other data access methods such as RETS or FTP. (Exhibit 2)

Rationale: This change will ensure that Web API data access includes the same listing content provided via other data access methods and will no longer be a disincentive to selecting a Web API data feed.

Participants and subscribers must receive as much or more data from their MLS Web API access as they receive from the MLS's RETS or FTP access. Some fields and enumerations may differ in naming or structure due to mapping to current RESO standards, but all participant and subscriber data elements available in any of an MLS's data transport services must be available in the MLS's Web API transport service.

If this recommendation is approved, then MLS Handbook, Policy Statement 7.90 would be amended as follows:

(underlined text identifies additions, strike-through text identifies deletions)

Section 12, Real Estate Transaction Standards (RETS) and RESO Standards (Policy Statement 7.90)
The integrity of data is a foundation to the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral, secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the goal of maintaining an orderly marketplace is maintained, and to further establish Realtor® information as the trusted data source, MLS organizations owned and operated by associations of Realtors® will implement the RESO Standards including: the RESO Data Dictionary by January 1, 2016; the RESO Web API by June 30, 2016 and will keep current by implementing new releases of RESO Standards within one (1) year from ratification. Compliance with this requirement can be demonstrated using the Real Estate Standards Organization (RESO) compliance Certification Process. Web API data access provided to participants and subscribers by MLSs must have no less than the same data available via other data access methods such as RETS or FTP, and MLS fields that exist in the RESO Data Dictionary must be delivered in conformance with the standard. (Amended 11/1420) M

This recommendation may have financial impact on board or state associations (check one): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (check all that apply): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

6. That participants and subscribers be required to submit accurate listing data, and be required to correct any known errors.

Rationale: The quality of listing content is paramount to the value proposition of the MLS. All involved in the collection and submission of property information to the MLS must work together to ensure that it is accurate and without errors.

If this recommendation is approved, then *MLS Handbook*, Policy Statement 7.60 would be amended as follows:

(underlined text identifies additions, strike-through text identifies deletions)

Section 1 ~~Standard Forms Listings~~ (Policy Statement 7.60)

Maintaining accurate listing data is a critical necessity for achieving the defined purpose of the MLS. Participants and subscribers are required to submit accurate listing data and be required to correct any known errors.

*Multiple listing services ~~may shall~~ not require participants to enter into listing agreements using a form other than the form a participant individually chooses to use. Multiple listing services ~~may shall~~ refuse to accept any listing which fails to adequately protect the interests of the public and other participants, and will not accept any listing which establishes a contractual relationship between the MLS and a participant's client. (Adopted 11/04) **M***

This recommendation may have financial impact on board or state associations (check one): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (check all that apply): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

7. That MLSs be required to display customer service and technical support contact information on the MLS website.

Rationale: Participant, subscribers, and vendors need contact information for the MLS to inquire about data feeds and other MLS services and products.

If this recommendation is approved, then a new MLS Policy Statement 8.2 under Part Two: Policies, C. Administration, Operational Issues, Section 19, would be added as follows:

Customer Service and Tech Support

The MLS must display customer service and technical support contact information on the MLS website.

This recommendation may have financial impact on board or state associations (check one): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (check all that apply): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

- Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

- Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

8. That MLSs implement a process for identifying potential violations of fair housing laws, advising participants and subscribers to remove or correct potential violations.

Rationale: MLSs play a vital role in providing property information and equal professional services to all consumers. This new policy statement will help MLSs provide compliant fair housing property information.

If this recommendation is approved, then a new MLS Policy Statement 8.1 under Part Two: Policies, C. Administration, Operational Issues would be added as follows:

*Multiple Listing Services are important tools for furthering fair housing because they facilitate the widespread distribution of accurate property information to all consumers. To that end, MLSs must implement a process for identifying potential violations of fair housing laws, advising participants and subscribers to remove or correct potential violations. **M***

This recommendation may have financial impact on board or state associations (check one): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (check all that apply): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

- Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

- Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

The following is reported for your information only and does not affect Association policy or budget.

1. The Committee received information about the new MLS logo designed by NAR's in-house design team. This modernized logo complies with the NAR's new branding guidelines adopted March 2020. Versions of the logo and support materials will be available from nar.realtor shortly after the conference. Changes will be made to the *Handbook on Multiple Listing Policy* to reflect the new logo.
2. The Committee received an update about the new MLS compliance process launching January 1, 2021. This new process will allow MLSs to self-certify adoption of mandatory MLS rules and policies. Compliance is a requirement for MLSs to receive coverage under NAR's professional liability insurance program.

3. Industry updates from RPR, Realtor.com, CMLS, and RESO are available in a special recording of the MLS Hour – Virtual REALTORS® Conference & Expo edition. To access go to, <https://youtu.be/goMlxZSOG9Q>
4. The Committee discussed a policy proposal to require the submission, and immediate disclosure to participants and subscribers, of listing addresses for all properties filed with the MLS. After a thorough discussion, the matter was referred back to the MLS Technology and Emerging Issues Advisory Board for further consideration.

MLS Schedule of Fines for Administrative Sanctions

| | MLS Rules | Fine | Training or other sanction in lieu of or in addition to a fine |
|---|--|-------------|---|
| Listing Procedures | | | |
| Failure to submit a required listing to the MLS | Section 1 – Listing Procedures, Section 1.01 – Clear Cooperation, Section 1.3 – Exempted Listings, Section 1.12 – Service Area | | |
| Failure to submit accurate and complete listing information | Section 1.2.1 – Limited Service Listings, Section 1.2.2 – MLS Entry-only Listings, Section 1.2 – Detail on Listings Filed with the Service, Section 1.11 – Termination Date | | |
| Failure to report and update listing information | Section 1.4 – Change of Status of Listing, Section 1.5 – Withdrawal of Listing Prior to, 1.6 – Contingencies Applicable to Listings, Section 1.7 – Listing Price Specified, Section 2.5 – Reporting Sales to the Service, Reporting Resolutions of Contingencies, Reporting Cancellation of Pending Sale | | |
| Failure to list properties separately | Section 1.8 – Listing Multiple Unit Properties | | |
| Selling Procedures | | | |

| | | | |
|---|---|--|--|
| Failure to follow showing instructions | Section 2 – Showings and Negotiations | | |
| Failure to present an offer or provide written confirmation of an offer being submitted | Section 2.1 – Presentation of Offers, Section 2.2 – Submission of Written Offers and Counter-Offer, Section 2.3 – Right of Cooperating Broker in Presentation of Offer, Section 2.4 – Right of Listing Broker in Presentation of Counter-offer, | | |
| Advertising a listing without authority | Section 2,7 – Advertising of Listings Filed with the Service | | |
| Failure to disclose existence of an offer | Section 2.9 – Disclosing the Existence of Offers | | |
| To misrepresent access to, and the ability to show, a property | Section 2.10 – Availability of Listed Property | | |
| Failure to inform participants of a rejected offer satisfying the terms of the listing contract | Section 3 – Refusal to Sell | | |
| Providing MLS information to brokers or firms that do not participate in MLS | Section 4 – Information for Participants Only | | |
| Violation of for sale and sold sign rules | Section 4.1 – For Sale Signs, Section 4.2 – Sold Signs | | |
| Unauthorized solicitation of seller | Section 4.3 – Solicitation of Listing Filed with the Service | | |
| Misuse of terms MLS and multiple listing service | Section 4.4 – Use of Terms MLS and Multiple Listing Service | | |
| Failure to include cooperative compensation | Section 5 – Compensation Specified on Each Listing | | |
| Failure to disclose Potential short sales | Section 5.0.1 – Disclosing Potential Short Sales | | |
| Failure to disclose status as a principal or purchaser | Section 5.1 – Participant as Principal, Section 5.2 – Participant as Purchaser | | |
| Service Charges | | | |

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| Failure to pay MLS Dues, Fees and Changes | Section 6 – Service Fees and Charges | | |
| Confidentiality of MLS Information | | | |
| Misuse or unauthorized distribution of MLS content | Section 10 – Confidentiality of MLS Information, Section 12 – Distribution, Section 12.1 – Display, Section 12.2 – Reproduction, Section 13 – Limitations on Use of MLS Information | | |
| Standards of Conduct | | | |
| Violating an exclusive relationship agreement | Section 16.1, Section 16.12, Section 16.19, Section 16.20 | | |
| Failure to receive seller consent for signage | Section 16.2 | | |
| Attempting to extend a listing broker’s offer of compensation to other brokers | Section 16.3 | | |
| Failure to disclose the expiration date and nature of a listing | Section 16.4 | | |
| Misuse of MLS information | Section 16.6, Section 16.17 | | |
| Knowingly obligating sellers to pay more than one commission | Section 16.9 | | |
| Directly offering or compensating the sales licensees of a participant | Section 16.11 | | |
| Failure to determine if a prospect is subject to an existing listing contract | Section 16.13 | | |
| Failure to disclose relationship | Section 16.14, Section 16.15 | | |
| Attempt to modify the listing broker’s offer of compensation | Section 16.18 | | |
| Making false or misleading statements about competitors | Section 16.22 | | |
| Failure to disclose the firm’s name and state(s) of licensure | Section 16.23 | | |

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| Misleading advertising and public representations | Section 16.24 | | |
| Failure to provide competent service | Section 16.25 | | |
| Orientation | | | |
| Failure to complete orientation or continuing education | Section 17 – Orientation | | |
| Internet Data Exchange (IDX) | | | |
| Failure to notify and provide access to an IDX display | Section 18.2.1 | | |
| Misuse of IDX content | Section 18.2.2 | | |
| Failure to withhold listing or property address per seller’s instructions | Section 18.2.3 | | |
| Failure to refresh download within 12 hours | Section 18.2.5 | | |
| Unauthorized distribution of MLS database | Section 18.2.6 | | |
| Failure to disclose the name of the brokerage firm | Section 18.2.7 | | |
| Failure to disable third-party comments and AVMs | Section 18.2.8 | | |
| Failure to include email address or telephone number for displaying broker, or to correct false data | Section 18.2.9 | | |
| Modifying or manipulating other participants listings | Section 18.2.11 | | |
| Failure to identify the listing firm | Section 18.2.12 | | |
| Display of prohibited fields | Section 18.3.1 | | |
| Failure to identify the listing agent | Section 18.3.4 | | |
| Subscriber’s display of IDX content without participant’s consent | Section 18.3.5 | | |
| Failure to include the MLS as the source of the information | Section 18.3.7 | | |

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| Failure to include required disclaimers | Section 18.3.8 | | |
| Exceeding the number of listings to consumer inquiries | Section 18.3.9 | | |
| Failure to separate displays from other sources | Section 18.3.11 | | |
| Displaying prohibited statuses and sellers/occupant information | Section 18.3.12, Section 18.3.13 | | |
| Failure to employ required security protection | Section 18.3.14 | | |
| Failure to maintain an audit trail of consumer activity | Section 18.3.15 | | |
| Failure to comply with the MLS's advertising rule on pages with IDX listings | Section 18.3.16 | | |
| Virtual Office Websites | | | |
| Failure to establish a broker-consumer relationship, or to receive participant consent for non-principal display | Section 19.1a, Section 19.3 a. i. | | |
| Failure to obtain a name, email address, user name, and password for registrants | Section 19.3 a. ii. and iii. | | |
| Failure to expire passwords for registrants or to keep records for not less than 180 days after expiration | Section 19.3 b. | | |
| Failure to provide the name, email address, user name and current password for alleged breach of MLS listing information or violation of MLS rules | Section 19.3 c. | | |
| Failure to require registrant to agreement to required terms of use | Section 19.3 d. | | |

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| Failure to display broker's contact information or the respond to registrant inquiries. | Section 19.4 | | |
| Failure to monitor or prevent misappropriation, scraping, or other unauthorized uses of MLS information | Section 19.5 | | |
| Displaying seller address when unauthorized | Section 19.6 a. | | |
| Failure to execute a seller opt-out form when required, or retain the form for 1 year | Section 19.6 b. and c. | | |
| Failure to disable third-party comments and AVMs | Section 19.7 a. and b. | | |
| Failure to include email address or telephone number for displaying broker, or to correct false data within 48 hours | Section 19.8 | | |
| Failure to refresh VOW data feed within 3 days | Section 19.9 | | |
| Unauthorized access to VOW content | Section 19.10 | | |
| Failure to display participant's privacy policy | Section 19.11 | | |
| Failure to notify and provide access to an IDX display | Section 19.13 | | |
| Displaying prohibited information | Section 19.15 | | |
| Unauthorized change to VOW content, or failure to identify the source of augmented content | Section 19.16 | | |
| Failure to include required disclosures | Section 19.17 | | |
| Failure to identify the name of the listing firm, broker, or agent | Section 19.18 | | |
| Exceeding the number of listings to consumer inquiries | Section 19.19 | | |

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| Failure to require registrant's passwords to be changed | Section 19.20 | | |
| Violating the MLS's advertising rules for pages with VOW content | Section 19.21 | | |
| Failure to identify other sources of property information, or to display search results separately. | Section 19.22, Section 19.23 | | |
| Failure to execute a license agreement | Section 19.24 | | |
| Failure to file written instructions from the seller to withhold a listing and address | Section 19.25 | | |

NOTE: MLSs may adopt all or some of the above for administrative sanctions. Fines for each offense, as well as any possible training requirements, must be established in advance and should be followed consistently.

MLSs, at their discretion, may adopt an escalating fine schedule for repeat violations and also may impose a training requirement in addition to or as an alternative to payment of a fine for any of the offenses listed. If an escalating fine schedule is adopted, it may only be used in circumstances where sanctions are issued by the same MLS.

The amount of a fine for any offense is at the option of the MLS. MLSs are encouraged to review the MLS Disciplinary Guidelines found in Part Two: Policies, F. Enforcement of Rules, Section 5 of the NAR Handbook on Multiple Listing Policy for guidance on applicable and appropriate sanctions.

PROFESSIONAL STANDARDS COMMITTEE

2020 REALTORS® CONFERENCE & EXPO

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|--------------------------|--------------------|
| CHAIR | Matt Difanis (IL) |
| VICE CHAIR | Mark Mansour (WV) |
| COMMITTEE LIAISON | Robert Bailey (CA) |
| STAFF EXECUTIVE | Kate Lawton |

Recommendations:

Recommendations #1 through #3 are related and it is recommended they be taken together.

1. To amend Policy Statement 29, *Code of Ethics and Arbitration Manual*, to expand applicability of the Code of Ethics' to all of a REALTOR®'s activities.

Rationale: At present, Policy Statement 29 limits the applicability of the Code to real estate-related activities and transactions involving REALTORS®. As such, members can engage in conduct and speech that is discriminatory and abhorrent, but unless it can be tied to a real estate-related activity or transaction, the Code of Ethics, specifically Article 10, does not apply. This revised policy expands applicability to all of a REALTOR®'s activities. If this recommendation is approved, the revised policy would be as follows (strikeouts indicate deletions, underscoring indicates additions):

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®.

This recommendation may have financial impact on board or state associations (*check one*): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

2. To add the following new Standard of Practice under Article 10:

Standard of Practice 10-5

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.

Rationale: This proposed Standard of Practice directly flows from the requirement to not deny equal professional services or be parties to a plan to discriminate. Specifically, bias against protected classes revealed through the public posting of hate speech could result in REALTORS® not taking clients from certain protected classes or not treating them equally, which would lead to violations of the Fair Housing Act due to overt discrimination or disparate impact.

This recommendation may have financial impact on board or state associations (*check one*): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

3. To amend Appendix VII to Part Four, Sanctioning Guidelines, Code of Ethics and Arbitration Manual, to provide more specific guidance for hearing panels on determining discipline for violations of Article 10, Article 3 as interpreted by Standard of Practice 3-11, and violations of the public trust; and to adopt a new Appendix that would provide guidance on revised Policy Statement 29 and Standard of Practice 10-5.

Rationale: These revised or new appendices provide additional enhancement to existing policy in order to provide guidance on appropriate sanctions in ethics cases involving discrimination, and provide additional guidance on the application of revised Policy Statement 29 and Standard of Practice 10-5. If this recommendation is adopted, the revised and new appendices appear in Exhibits 1 and 2 (underscoring indicates additions, strikeouts indicate deletions. Exhibit 2 is an entirely new Appendix.)

This recommendation may have financial impact on board or state associations (*check one*): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

Recommendations #4 through #5 are related and it is recommended they be taken together.

4. That the proposed changes to Policy Statement 29, Code of Ethics and Arbitration Manual, become effective upon final approval.

Rationale: Making the proposed changes to Policy Statement 29 effective upon final approval, rather than on January 1, 2021, sends a clear message that the National Association of REALTORS® is committed to the highest ethical standards for its members.

This recommendation may have financial impact on board or state associations (*check one*): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

5. That proposed Standard of Practice 10-5 become effective upon final approval.

Rationale: Making the proposed Standard of Practice effective upon final approval, rather than on January 1, 2021, sends a clear message that the National Association of REALTORS® condemns discriminatory speech and conduct.

This recommendation may have financial impact on board or state associations (*check one*): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (*check all that apply*): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

6. That the definition of “public trust” be expanded to include all discrimination against the protected classes under Article 10 of the Code of Ethics and all fraud.

Rationale: At present, the definition of “public trust” includes demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm. This recommendation would expand the definition to include *all* discrimination against the protected classes under Article 10, and all fraud. As a result, associations would be required to share with the state real estate licensing authority final ethics decisions holding REALTORS® in violation of the Code of Ethics in instances where there is reason to believe the

public trust, as expanded, may have been violated. This is recommended so the real estate licensing authority, and other governmental agencies as recommended by the Association, are made aware of any findings of a violation of the Code of Ethics involving discrimination.

If this recommendation is adopted, Article IV Code of Ethics, Section 2 of the NAR Bylaws would be amended as follows (strikeouts indicate deletions, underscoring indicates additions):

Section 2. Any Member Board which shall neglect or refuse to maintain and enforce the Code of Ethics with respect to the business activities of its members may, after due notice and opportunity for hearing, be expelled by the Board of Directors from membership in the National Association. Enforcement of the Code of Ethics also requires Member Boards to share with the state real estate licensing authority final ethics decisions holding REALTORS® in violation of the Code of Ethics in instances where there is reason to believe the public trust may have been violated. 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~~. Enforcement of the Code of Ethics also requires Member Boards to provide mediation and arbitration services to members and their clients so that the dispute resolution requirements of Article 17 of the Code of Ethics can be met.

Enforcement of the Code of Ethics also includes responsibility for ensuring that persons primarily responsible for administration of enforcement procedures have successfully completed training that meets the learning objectives and minimum criteria established by the National Association from time to time.

Enforcement of the Code of Ethics also prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

In addition, the following portions of the *Code of Ethics and Arbitration Manual* would be revised consistent with the aforementioned revisions.

- Preface, The Code of Ethics of the National Association of REALTORS®, *Code of Ethics and Arbitration Manual*
- Section 1(t), Definitions Related to Ethics, *Code of Ethics and Arbitration Manual*
- Section 23(j), Action of the Board of Directors, *Code of Ethics and Arbitration Manual*
- Appendix VII to Part Four, Sanctioning Guidelines, *Code of Ethics and Arbitration Manual*
- Appendix XI to Part Four, Ethics Mediation, *Code of Ethics and Arbitration Manual*
- Part Fourteen, State Association Professional Standards Committee, *Code of Ethics and Arbitration Manual*
- Local and State Association Ombudsman Services Policy
- Other resources and educational materials as needed

This recommendation may have financial impact on board or state associations (check one): Yes No
If yes, please attach a *Program Impact Analysis Form* as an Exhibit.

This recommendation has been reviewed by (check all that apply): Not Applicable
 Leadership Team Legal Finance Other (list committees):

The Executive Committee recommends to the Board of Directors:

- Approval Referral to _____ for further study
 Approval with the following amendment: Defeat

Board of Directors Action:

- Approved Defeated
 Approved with Executive Committee amendment Referred to _____ for further study
 Approved with the following Board of Directors amendment:

The following is reported for your information only and does not affect Association policy or budget.

1. The Committee received a copy of the Report of the MLS Standards Work Group.

Appendix VII to Part Four

Sanctioning Guidelines

The Code of Ethics is designed to establish a public and professional consensus against which the practice and conduct of REALTORS® and REALTOR-ASSOCIATE®s may be judged. REALTORS® and REALTOR-ASSOCIATE®s in joining a Board signify their intention to abide by the Code and thereby enhance the public and professional image of themselves and all other REALTORS®. Adherence to the Code is the first great bond between REALTORS® and REALTOR-ASSOCIATE®s throughout the country, and is an obligation voluntarily accepted by them to ensure high standards of professional conduct to serve the interests of their clients and customers (from the Introduction to the Code of Ethics and Arbitration Manual, National Association of REALTORS®, 2018 edition).

Local ~~Boards~~ Associations of REALTORS®, supported by the state and National Associations, have the awesome responsibility of fostering awareness, understanding, and appreciation for the duties and obligations the Code imposes on those who accept it as their guide to professionalism. A corollary duty of ~~Boards~~ Associations is to receive and resolve complaints alleging potentially unethical conduct by REALTORS®.

The REALTOR® organization is firmly committed to comprehensive education of REALTORS® and the public about the Code and the protections it affords, and also to vigorous, fair, and uniform enforcement when complaints are brought against members. The Code of Ethics and Arbitration Manual (Manual) details policies and procedures governing enforcement efforts.

Code enforcement achieves a number of goals. Where REALTORS® are wrongly or mistakenly charged with unethical conduct, the hearing process provides personal and professional vindication. Where violations are determined, the hearing process educates members about their professional obligations and serves as a meaningful deterrent to future violations. The Introduction goes on to point out that the ethics hearing process “. . . is educational in that it raises the consciousness of members to the meaning and significance of the Code” and that “many ethics violations occur inadvertently or through ignorance, and the hearing procedure serves as an effective educational tool.”

Allegations of unethical conduct are often understandably viewed by respondents as threats to their professional and personal reputations. This can result not only in the mounting of vigorous defenses but also, at times, to threats of legal challenge should a violation be determined and discipline imposed. Given that membership confers valuable rights, ~~Boards~~ Associations need to strictly adhere to their established procedures when considering potential ethics violations. This caution ensures that the rights of the parties will be observed and that legal exposure of ~~Boards~~ Associations will be minimized.

At the same time, well-founded caution should not be confused with reservation, reluctance, or hesitancy. The Code’s duties become aspirations at best, and potentially meaningless, if not enforced, and enforced with vigor and determination.

Fundamental to fair and consistent Code enforcement is reasonable and judicious use of discipline, as both an educational device and as punishment. The Manual authorizes a wide variety of sanctions that may be imposed for ethics violations and for violations of other membership duties. These range from

simple letters of warning to expulsion from REALTOR® membership. Between these extremes are mandatory attendance at remedial educational sessions, fines, probation, and suspension. These sanctions, and the circumstances under which they may be imposed, are discussed in detail in the Manual.

The National Association does not recommend specific discipline for certain offenses, or for violations of particular Articles of the Code. This is in deference to the wisdom and autonomy of Hearing Panels privy to the details of complaints coming before them; in recognition of the fact that no two complaints are identical; and in view of the fact that the details of each hearing, including the experience of respondents, their history of prior violations, and mitigating or extenuating circumstances, may all come into play in determining an appropriate penalty. At the same time, there are key points to be considered with respect to discipline.

- Discipline that can be imposed is strictly limited to those forms authorized in the Manual.
- Discipline should be commensurate with the offense. Unintentional or inadvertent violations should result in penalties designed to educate respondents as to the conduct expected of them as REALTORS®. Conversely, if a REALTOR® intentionally violates the Code, for example to realize an economic gain, a more severe sanction would be appropriate. Only authorized forms of discipline may be utilized. (Revised 11/13)
- Discipline should be progressive. The disciplinary emphasis on violations by new members or by longstanding members with no history of unethical conduct should be primarily educational. Repeated or subsequent violations should be addressed with more serious forms of discipline including substantial fines, suspension, and termination of membership. (See the section of this Appendix entitled “Progressive Discipline” for a more detailed discussion of progressive discipline).
- A “gray area” can exist with respect to “first time violations” that are clearly not the result of ignorance or mistake but rather demonstrate flagrant disregard for the Code’s obligations. While the educational aspect of Code enforcement cannot be disregarded, the fact that the Code exists to protect the public must also be seriously considered in determining commensurate discipline.
- Mitigating or extenuating circumstances should be considered in determining appropriate discipline. The fact that a respondent recognized or acknowledged inappropriate or unethical conduct, or took steps to remediate or minimize harm or injury that may have resulted from the respondent’s conduct, should be considered in determining appropriate discipline.
- Conversely, cases in which there is reason to believe that violations of the public trust, including demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm have occurred should be considered particularly egregious violations of the Code of Ethics when determining appropriate discipline.
- Respondents’ records of earlier violations (or, conversely, the fact that they have not violated the Code in the past) can be considered in determining appropriate discipline. Hearing Panels cannot consider past violations in deciding whether the conduct currently complained of violated the Code.

Crafting appropriate, meaningful discipline can challenge panels that have concluded that the Code has been violated. This discussion is offered as guidance, rather than as a hard and fast template, to assist panels in meeting their key role in ensuring the Code’s viability and vitality through vigorous and

evenhanded enforcement. Suggested guidelines that can be modified locally so long as the discipline proposed is consistent with the permissible forms authorized in the National Association's Code of Ethics and Arbitration Manual, can be found in the section of this Appendix entitled "Disciplinary Guidelines."

Progressive Discipline

Discipline imposed for violations of the Code of Ethics or for violations of other membership duties should be progressive, that is discipline should increase incrementally for subsequent violations. The disciplinary emphasis where first time violations occur should be primarily educational. Repeated or subsequent violations should result in more serious forms of discipline being utilized, including substantial fines, suspension, and termination of membership. At the same time, a gray area can exist where a first time violation is not attributable to ignorance or oversight but rather to blatant disregard for the Code and its obligations. While the educational emphasis of Code enforcement cannot be disregarded, the fact that the Code exists to protect the public must be carefully considered in determining appropriate discipline. ~~Two~~Three contrasting examples are provided to illustrate these points.

Example 1A: REALTOR® A, who had recently earned her real estate license, was found to have violated Article 12 for advertising a listed property without disclosing her status as either a REALTOR® or as a real estate licensee. At the hearing, REALTOR® A acknowledged her oversight and it was clear to the Hearing Panel that the violation was inadvertent and unintentional. The panel concluded that a letter of reprimand and attendance at a three (3) hour Code of Ethics update session was appropriate.

Two months later, REALTOR® A was charged with a nearly identical violation. After concluding that she had, in fact, violated Article 12, the Hearing Panel was given access to REALTOR® A's files to see whether REALTOR® A had previously violated the Code so that appropriate discipline could be recommended. It was the conclusion of the Hearing Panel that a second violation of the same Article, occurring just months after the first violation, warranted more serious discipline. REALTOR® A was fined \$1,000 and required to attend a full day ethics education program. (Revised 11/13)

Three months later, REALTOR® A was again found to have violated Article 12. The Hearing Panel was then given access to REALTOR® A's file and, upon learning of the two (2) prior violations in less than a year, recommended a \$5,000 fine. (Revised 11/13)

Example 2B: REALTOR® B, who had recently received his real estate license, was found to have violated Article 4 for failing to disclose to his seller-client that the purchaser that REALTOR® B had procured was, in fact, REALTOR® B's wife. In determining appropriate discipline, the Hearing Panel considered REALTOR® B's limited experience in the real estate business and the fact that this was the first time that REALTOR® B had been found in violation of the Code. The Hearing Panel also considered that REALTOR® B's failure to disclose had not been inadvertent or unintentional and that REALTOR® B had knowingly concealed from his client a key fact that might have influenced the client's decision to accept the offer from REALTOR® B's wife. Based on the seriousness of the violation and REALTOR® B's conscious disregard for his disclosure obligation, the Hearing Panel recommended a \$5,000 fine and retaking the ethics orientation required for new members. (Revised 11/13)

Example C: In social media discussions, REALTOR® C posted several discriminatory and offensive comments which were deemed to be in violation of Article 10 as they discriminated against individuals on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. In determining appropriate discipline, the Hearing Panel considered REALTOR® C's comments as hate speech and discrimination in violation of Article 10 and had reason to believe that a violation of the public trust occurred. Based on the offensiveness of REALTOR® C's comments and his total disregard for the Code of Ethics' obligation to not be a party to any plan to discriminate against members of the protected classes of Article 10, the Hearing Panel recommended a \$5,000 fine and mandatory completion of implicit bias training.

Disciplinary Guidelines

Code enforcement achieves a number of important goals. Where REALTORS® have been wrongly or mistakenly charged with unethical conduct, the hearing process provides personal and professional vindication. Where violations are determined, the hearing process and resulting discipline educates members about their professional obligations and serves as a meaningful deterrent to future violations.

Determining that a violation of one or more Articles has occurred is only a part of a Hearing Panel's job. Equally important is crafting discipline commensurate with the offense. Panels will want to consider that many violations occur due to lack of familiarity with the Code and its obligations, inexperience, oversight, or as unintentional mistakes. In such cases, the primary purpose of discipline should be educational to ensure that similar violations do not occur in the future. In other cases, violations can occur because of knowing disregard for the Code and its duties. In such cases, greater emphasis will be placed on the punitive nature of discipline.

Hearing Panels are cautioned of the due process concerns of considering a Respondent's history of Code violations, as considering too long of a history involving different types of violations can unreasonably effect the severity of the discipline. Typically, Associations might look back a minimum of three years, however, if there is consistency in the types of violations or if the violations are of the public trust, considering a longer history of violations could be appropriate in crafting meaningful discipline aimed at stopping the behavior.

Factors Hearing Panels should consider in determining appropriate discipline include, but are not necessarily limited to:

- (1) The nature of the violation.
- (2) Harm caused by the violation. Was the violation a minor mistake causing little or no harm or, alternatively, was a client, customer, member of the public, or another REALTOR® harmed? Was the violation one of the public trust, including demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm?
- (3) Was the violation inadvertent or unintentional or, conversely, was it the result of knowing disregard for the Code's obligations?

- (4) How much real estate experience did the violator have? Did he, or should he, have known better?
- (5) Has the violator been found in violation of the Code previously? How often? How recently? Is the current violation related or similar to earlier violations?
- (6) Are there mitigating or extenuating circumstances that should be considered in determining appropriate discipline?
- (7) Did the violator acknowledge the violation? Did the violator express remorse or contrition?
- (8) Are there other factors that ought to be considered?

With these questions in mind, panels can be guided by (but are not bound by) the following guidelines which may be modified locally at the discretion of each local ~~Board~~ Association.

First violation example #1 ~~(or first violation within three [3] years):~~

- violation considered relatively minor, or
- little or no harm or injury caused to others, or
- violation resulted from ignorance or misunderstanding

Possible discipline:

- letter of warning
- fine of \$500 or less
- attendance at relevant education session
- any combination of the above (Revised 11/13)

First violation example #2 ~~(or first violation within three [3] years):~~

- violation considered relatively serious, or
- some harm or injury caused to others, or
- violation resulted from disregard for the Code's obligations

Possible discipline:

- letter of reprimand
- fine of \$2,000 or less
- attendance at relevant education session(s)
- any combination of the above (Revised 11/13)

First violation example #3 ~~(or first violation within three [3] years):~~

- violation considered very serious, or
- the violation was of Article 10 as interpreted by its Standards of Practice, or of Article 3 as interpreted by Standard of Practice 3-11, or
- substantial harm or injury caused to others, or
- violation resulted from knowing disregard of the Code's obligations

Possible discipline:

- letter of reprimand
- fine of \$10,000 or less
- attendance at relevant education session(s)

- suspension for ninety (90) days or less
- any combination of the above
- Termination of membership for up to three (3) years

Repeat violations example #1 (within three ~~[3]~~ years):

- current violation considered relatively minor, or
 - little or no harm or injury caused to others, or
 - violation resulted from ignorance or misunderstanding
- Possible discipline:
- attendance at relevant education session(s) or course
 - fine of \$2,000 or less (Revised 11/14)

Repeat violations example #2 (within three ~~[3]~~ years):

- current violation considered relatively serious, or
 - some harm or injury caused to others, or
 - violation resulted from disregard for the Code's obligation
- Possible discipline:
- attendance at relevant education session(s) or course
 - fine of \$10,000 or less
 - suspension for three (3) months or less
 - any combination of the above (Revised 11/14)

Repeat violations example #3 (within three ~~[3]~~ years):

- violation considered very serious, or
 - the violation was of Article 10 as interpreted by its Standards of Practice, or of Article 3 as interpreted by Standard of Practice 3-11, or
 - substantial harm or injury caused to others, or
 - violation resulted from knowing disregard for the Code's obligations
- Possible discipline:
- attendance at relevant education session(s) or course
 - fine of \$15,000 or less
 - suspension for six (6) months or less
 - any combination of the above
 - Termination of membership for up to three (3) years

In addition to imposing discipline, the Hearing Panel can also recommend to the Board of Directors that the disciplined member be put on probation. The fact that one or more forms of discipline will be held in abeyance during the probationary period does not bar imposition of other forms of discipline which will

not be held in abeyance. Probation is not a form of discipline. When a member is put on probation the discipline recommended by the Hearing Panel is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the Code of Ethics during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the member's record will reflect the fulfillment. ~~The fact that one or more forms of discipline will be held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.~~ (Revised 5/14)

More serious forms of discipline (including possible termination of MLS privileges, suspension from membership for up to one [1] year, or termination of membership for up to three [3] years) may be appropriate in cases of very serious violations or in cases of repeated violations. Cases in which there is reason to believe that violations of the public trust, including demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm have occurred are considered particularly egregious. Associations are encouraged to critically examine these types of cases and recommend discipline consistent with the seriousness of these violations, their harm to consumers, and to the reputation of REALTORS® as committed to the highest level of professionalism. (Revised 11/13)

Important Note: These are not sentencing rules or requirements, but rather simply suggestions to guide Hearing Panels in determining appropriate discipline based both on the current violation and the violator's previous record of ethical conduct.

**Appendix XII to Part Four
Appropriate Interpretation of
Standard of Practice 10-5 and
Statement of Professional Standards Policy 29**

Standard of Practice 10-5 prohibits REALTORS® from using harassing speech, hate speech, epithets or slurs based on the protected classes of Article 10. Statement of Professional Standards Policy 29 provides that REALTORS® are subject to disciplinary action with respect to all of their activities.

To assist Hearing Panels in the appropriate interpretation and application of Standard of Practice 10-5 of the Code of Ethics and Statement of Professional Standards Policy 29, the Professional Standards Committee of the National Association provides the following for consideration by Hearing Panels when asked to determine whether a violation of Article 10 as supported by Standard of Practice 10-5 has occurred.

While the overall focus of Standard of Practice 10-5 is on what might be loosely termed “offensive” or “discriminatory” speech, Hearing Panels should be clear that the Standard of Practice is narrowly limited to conduct related to the requirements of equal professional service of Article 10. Hearing Panels should also be fully aware of the nature and scope of the Standards of Practice under Article 10 and their relationship to fair housing law as described in Appendix III to Part Four of the *Code of Ethics and Arbitration Manual*. As described in Appendix III, Article 10 and its Standards of Practice fully integrate the five basic fair housing obligations that were recognized by NAR’s Code of Fair Housing Practices before it was sunset.

Hearing Panels should note that while all of the Standards of Practice under Article 10 inform them as to the interpretation and application of Standard of Practice 10-5, Standard of Practice 10-3 is particularly analogous in its application to discriminatory speech in advertising based on the protected classes of Article 10.

Standard of Practice 10-5 is not focused on types of speech that might be subjectively deemed “offensive” or “discriminatory” by one person and not another. The Standard of Practice is based on very particular types of speech that are directly connected to the protected classes of race, color, religion, sex, handicap, familial status, national origin, sexual orientation or gender identity under Article 10. Only the use of harassing speech, hate speech, epithets and slurs **based on** the protected classes of Article 10 are prohibited. The terms “harassing speech,” “hate speech,” “epithets,” and “slurs” can be commonly understood by use of a dictionary as well as other easily available references.

For example, NAR’s Code of Conduct and Anti-Harassment Policy clearly defines “harassment” and “sexual harassment.”

“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.”

“Sexual Harassment” includes not only physical acts but also includes verbal and non-verbal/non-physical acts.

“Sexual harassment can be:

- Verbal: Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, or threats.
- Non-Verbal: Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, or obscene gestures. ...”

Hearing Panels should look to this existing information on harassment to determine whether harassing speech has occurred and then look to determine whether the harassing speech was based on one of the protected classes.

In similar fashion, Merriam Webster’s Dictionary defines “hate speech,” “epithets,” and “slurs” as follows:

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

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**: an insulting or disparaging remark or innuendo: ASPERSION; **b**: a shaming or degrading effect: STAIN, STIGMA”

Again, Hearing Panels must look to whether the hate speech, epithet or slur is based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation or gender identity and not on some other non-protected characteristic.

Under Statement of Professional Standards Policy #29, REALTORS® are subject to the Code of Ethics' standards in all of their activities. Thus, a violation of Article 10, as supported by Standard of Practice 10-5, can occur when a REALTOR® uses harassing speech, hate speech, epithets and slurs based on the protected classes in any media or context, regardless of whether related to their activities in the real estate business or their identification as a REALTOR®.