



May 8, 2013

California REALTORS® Aim To Beef Up Enforcement of The Code Of Ethics

by Bob Hunt

If you surveyed a sizeable group of Realtors® -- members of the National Association of Realtors® (NAR) – you would find that many more members have experienced or have knowledge of violators of the NAR Code of Ethics, than have reported such violations. There are primarily two reasons for this: first, many members perceive that, even when violations are found, punishment tends to be of the slap-on-the-wrist variety, and kept confidential at that; second, there is also wide-spread perception that the process of filing and following through on an ethics complaint is both lengthy and cumbersome, hardly worth the effort.

All that may be about to change in California.

Some months ago we discussed a draft report of the California Association of Realtors® (CAR) Ethics and Professionalism Task Force. At that time, the task force, chaired by former CAR President Jim Hamilton, and composed of a virtual who's-who among CAR members, gave CAR's Board of Directors a look at the direction in which they were headed. Input was solicited from all constituencies.

Last week, when the CAR directors met in Sacramento, the task force delivered its final report. It's fair to say that the report and its recommendations were enthusiastically received. It calls for a significantly more robust enforcement of the Code of Ethics than is now the norm. In particular, there were some very specific recommendations for dealing with the findings of ethics violations. A major feature of these has to do with the publication of findings of violations.

Under current NAR policy, the discipline for violations can be published when a Realtor® has been disciplined for violations twice within three years. This, though, is not widely done. The task force recommendations would change that. In this regard, the recommendations were based on two themes: (1) "Punishment for unethical behavior should be swift and streamlined"; and (2) "Punishment for unethical behavior should be published and significant enough to deter future unethical behavior."

In order to implement those themes, the task force recommended the creation of a statewide electronic data base to house ethics discipline data. All local Realtor® Associations would be required to post their disciplines within the system. CAR would "advocate that NAR change its policy to allow publication of all Code of Ethics discipline without restraints on time frames or frequency" according to a set of guidelines. Among those guidelines: simple warnings would not be published, nor would disciplines that only required education. *All* reprimands, fines, suspensions, and expulsions would be published. Disciplines would be published in CAR's magazine and newsletters, and on its website. The Realtor® would be clearly identified.

The task force recognized that strengthening the punishment component of code of ethics enforcement would not be sufficient to rein in bad behavior. That is because, as noted earlier, there is not much reporting of ethics violations. Hence the task force also had recommendations to make reporting less burdensome, and to encourage that the process be completed in a timely manner. One of these was the recommendation that local associations encourage members to avail themselves of Ombudsman and Ethics Advocates services (currently available) to assist them with the process. Also, associations were encouraged to "strive to achieve timely ethics hearings scheduled in less than 45 days from filing."

The task force recommendations were approved by the Board of Directors with only minor modifications. Everyone realized, though, that doing so would not in itself be a game-changer. Unethical behavior won't be significantly diminished unless there is grass roots support of the ideas behind these recommendations. That means that at the local, in-the-trenches, transactional level, Realtor® agents are going to need to care.

"If you see something, say something." That slogan actually belongs to the New York Metropolitan Transit Authority. It was licensed to the Department of Homeland Security for use in a campaign that began in July of 2010. We have all heard it; and we heard it again after Boston. It needn't, though, just apply to threats of terrorist acts. When it comes to unethical behavior, Realtors®, too, would do well to implement the same principle. *If you see something, say something.*

Copyright © 2013 Realty Times. All Rights Reserved.

With an award winning staff of writers providing up to the minute real estate news and advice, thousands of REALTORS® in North America reporting daily market conditions, and a nationally broadcast television news program, Realty Times is the one-stop shop for real estate information. That's why over 10,000 real estate professionals have turned to us for their publicity needs.