

NATIONAL ASSOCIATION OF REALTORS®
Code of Ethics Video Series

From *Professionalism in Real Estate Practice* – Article 12

(A narrative explanation of Article 12 with synthesis of related Standards of Practice and Case Interpretations)

Article 12

REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional. (*Amended 1/08*)

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In marketing properties, REALTORS® use advertising to inform the public about listings and to induce interest in them. REALTORS® are obligated to present a “true picture” in their advertising and in all representations to the public. A “true picture” is truthful, accurate advertising, and nothing less. Descriptions that go beyond “puffing” may mislead the public. Statistics indicating a REALTOR®’s sales volume and comparisons with other firms can be impressive, but if they are inaccurate, untrue, or misleading, their use injures the public and violates Article 12.

REALTORS® must always disclose their status as real estate professionals in their advertisements. This may be accomplished by including the terms “REALTOR®,” “REALTORS®,” or “REALTOR-ASSOCIATE®,” or by disclosing their status as a licensed broker, appraiser, property manager, or other real estate professional.

In advertising listed property, REALTORS® must also disclose the name of their firm so that the public will be aware that they are dealing with the property owner’s agent. Further, the REALTOR® must ensure that all brokers and salespeople affiliated with the firm include the firm’s name in their advertisements of listed properties.

When advertising unlisted property in which the REALTOR® has any ownership interest, the advertisement must disclose the interest and the existence of Board membership or real estate licensure.

Services and products should be described as “free” or “free of charge” only when all terms governing availability are clearly disclosed at the same time as when the “free” product or service is offered. (Refer to Standard of Practice 12-1 and Case Interpretations #12-7 and #12-10)

You may represent your services as “free” or without cost even if you expect to receive compensation from a source other than your client provided that the potential for

you to obtain a benefit from a third party is clearly disclosed at the same time. (Refer to Standard of Practice 12-2)

If you offer incentives to list, sell, purchase, or lease property, be sure the terms and conditions of your offer are clear and readily understandable. (Refer to Standard of Practice 12-3)

Obtain the client's permission to advertise the client's property. Never advertise listed property at a price other than that agreed to by the client. (Refer to Standard of Practice 12-4)

All advertisements of listed property must include the name of your firm. (Refer to Standard of Practice 12-5)

When acting as a principal in the sale or lease of your own property, disclose your status as a REALTOR[®] or as a licensee so that prospective purchasers or tenants will be aware of your special knowledge and expertise. (Refer to Standard of Practice 12-6 and Case Interpretation #12-8)

Only listing brokers or cooperating (selling) brokers have the right to advertise that they "sold" the property. Either the listing broker or the cooperating broker may claim to have "sold" the property upon acceptance of a purchase offer by the seller. However, prior to closing, a cooperating broker may only post a "sold" sign with the consent of the listing broker. (Refer to Standard of Practice 12-7 and Case Interpretations #12-11, #12-12, and #12-13)

Your obligation to present a true picture includes information presented on your website. (Refer to Standard of Practice 12-8)

Websites of REALTORS[®], their firms, and all licensees affiliated with the firm must include the firm's name and state of licensure and the licensee's state of licensure in a reasonable and readily apparent manner. (Refer to Standard of Practice 12-9)

The duty to present a true picture in advertising and representations to the public includes URLs and domain names. (Refer to Standard of Practice 12-10 and Case Interpretation #12-20)

If you intend to sell or share consumer information gathered via the Internet, disclose that possibility in a reasonable and readily apparent manner. (Refer to Standard of Practice 12-11)

Do not use URLs/domain names that present anything other than a true picture, or register URLs/domain names which, if used, would present less than a true picture. (Refer to Standard of Practice 12-12 and Case Interpretation #12-20)

Use and display only the professional designations, certifications, and other credentials, you are legitimately entitled to use. (Refer to Standard of Practice 12-13)

Remember that “For Sale” signs are a form of advertising subject to the requirements of Article 12. (Refer to Case Interpretation #12-1)

Avoid exaggeration and dishonesty in your advertisements. Strive to present a “true picture.” (Refer to Case Interpretations #12-2, #12-3, and #12-4)

Advertising claims should not be based upon uncertain or unpredictable factors over which you have little or no control. (Refer to Case Interpretation #12-4)

While a “sold” sign may be placed on a property when an offer to purchase has been accepted, it should be removed if the transaction falls through. (Refer to Case Interpretation #12-5)

Don’t mislead the public into believing they can save money by purchasing from you if that is not the case. (Refer to Case Interpretation #12-6)

Avoid false advertising. (Refer to Case Interpretation #12-9)

Remember to observe Article 12’s “true picture” mandate when advertising property as being “offered exclusively.” (Refer to Case Interpretation #12-14)

“Linking” to other Internet websites, even if those sites include listings of other real estate professionals, does not constitute advertising of the type contemplated by Article 12. (Refer to Case Interpretation #12-15)

You cannot copy information from the Internet websites of other real estate professionals and publish it on your website without the listing broker’s permission even if the information on your website identifies the listing broker. (Refer to Case Interpretation #12-16)

Article 12’s “true picture” assurance bars the use of misleading Internet domain names, including use of the names of competitors or their firms. (Refer to Case Interpretation #12-17)

Promptly remove information about expired listings from your website. (Refer to Case Interpretation #12-18)