

NATIONAL ASSOCIATION OF REALTORS®
Code of Ethics Video Series

From *Professionalism in Real Estate Practice* – Article 6

(A narrative explanation of Article 6 with synthesis of related Standards of Practice and Case Interpretations)

Article 6

REALTORS® shall not accept any commission, rebate, or profit on expenditures made for their client, without the client's knowledge and consent.

When recommending real estate products or services (e.g., homeowner's insurance, warranty programs, mortgage financing, title insurance, etc.), REALTORS® shall disclose to the client or customer to whom the recommendation is made any financial benefits or fees, other than real estate referral fees, the REALTOR® or REALTOR®'s firm may receive as a direct result of such recommendation.

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Article 6 protects clients and customers from conflicts of interest by the REALTOR® by requiring advance disclosure of the REALTOR®'s connection or interest in any organization or business entity before the REALTOR® recommends such services or products.

Many REALTORS® have interests in service firms, including contracting, roofing, brickwork, plumbing, electrical, air conditioning, title insurance, home owner's insurance, pest control, moving, etc. The REALTOR® is not precluded from offering such services, and it should be noted that such services may be among the best available. But, to recommend such services without first disclosing the REALTOR®'s interest, making it clear that the clients and customers are free to obtain these services elsewhere, can raise suspicion and create the appearance of impropriety.

Article 6 also prevents the REALTOR® from benefiting directly or indirectly from the providers of such goods or services without the client's prior knowledge and consent. Remember to disclose when you or your firm will receive any fee or will benefit directly from recommending a real estate service or product to a client or customer.

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Advise clients and customers about any direct or indirect interests you have in businesses or organizations to which you refer them. (Refer to Standard of Practice 6-1)

Don't profit from your client's expenditures without the client's prior knowledge and consent. (Refer to Case Interpretation #6-1)

Be sure your client is aware of any use of the client's property which may result in a benefit or profit to you. (Refer to Case Interpretation #6-2)

Exercise caution when dealing in matters that may be inconsistent with your client's interests. Try to avoid potentially conflicting situations. (Refer to Case Interpretation #6-3)

Don't accept rebates or other considerations from those providing goods or services to your client without your client's prior knowledge and consent. (Refer to Case Interpretation #6-4)

When recommending real estate products and services, disclose affiliated business relationships and any potential benefit that may accrue to you. (Refer to Case Interpretations #6-5 and #6-6)