



ASPEN BOARD OF REALTORS®

The Voice For Real Estate In The Roaring Fork Valley

Professional Standards FAQs

Ethics and Arbitration Services

The single, most outstanding characteristic that sets REALTORS® apart from other real estate practitioners is the willingness to accept and abide by the Code of Ethics of the National Association of REALTORS®. The Code of Ethics, which was first adopted on July 29, 1913, is a living document, responsive in its content to changes in law and industry.

The Code has been revised several times through the years to reflect the current developments in professional real estate practice. Updated annually, in response to changes in the industry, each REALTOR® needs to review the Code when these changes occur. The Code of Ethics is universally recognized by practitioners, lawyers and laymen alike as the measure of professionalism in real estate. When you abide by the Code, it ensures your fellow practitioners and the public of a high standard of business conduct.

The Code of Ethics is also an excellent Risk Management tool. Include a copy in your listing presentation packet, to educate clients on the “REALTOR® difference”. The term REALTOR® has come to represent competency, fairness, and high integrity. These qualities stem from voluntary adherence to an ideal of moral conduct in real estate business practices. But even with the best of intentions, planning and preparation, occasional disagreements arise between REALTORS® and/or between REALTORS® and their clients and customers. By virtue of its charter with the National Association of REALTORS®, the Aspen Board of REALTORS® has both a duty and an obligation to enforce the REALTOR® Code of Ethics among members who hold REALTOR® membership. Association members who hold REALTOR® membership subscribe to the REALTOR® Code of Ethics as a condition of membership, and agree to uphold the Code of Ethics in their business dealings with clients, customers and other REALTORS®.

Through professional standards, ABOR provides its members and their clients and customers a vehicle to economically expedite ethics complaints and/or arbitration requests without going to court. If an “arbitrable” monetary dispute arises from a real estate transaction or if you believe a REALTOR® may have acted in an unethical manner, seek a resolution through your local association of REALTORS®. Ethics complaints that are brought before the association give those parties involved an opportunity to be educated about the Code. In addition, REALTORS® are judged by their peers as opposed to other individuals who may be far less familiar with the practices and customs of the real estate industry.

Ethics

An ethics complaint charges that a REALTOR® has violated an Article(s) of the Code of Ethics of the National Association of REALTORS®. Ethics complaints are filed where the respondent holds membership. Complaints can be filed by any person, whether a member or not, having reason to believe that a member is in violation of any conduct subject to disciplinary action.

Arbitration

An arbitration request involves an “arbitrable” dispute over entitlement to a monetary transaction (e.g., a commission) or a monetary claim arising out of a contractual dispute (Standard of Practice 17-4 of the Code of Ethics). Arbitration can be filed by the REALTOR® principal (employing or managing “broker”) or by a non-REALTOR® member if they agree to be bound and abide by the award of a hearing panel. A non-principal cannot file an arbitration, although their name may be joined on the

request and may attend and participate in the arbitration if they remain affiliated with the broker, maintain REALTOR® membership, and have a monetary interest in the outcome.

Professional Standards Committees

Professional Standards Committee

The Professional Standards Committee shall consist of at least twenty-five Board REALTOR® members appointed by the Chairperson of the Professional Standards Committee, subject to confirmation by the Board of Directors. The Chair of the Board, subject to confirmation by the Board of Directors, shall appoint the Chairman of the Professional Standards Committee.

Grievance Committee

The Grievance Committee shall consist of at least five (5) Board REALTOR® members appointed by the Chair/Chairman, subject to confirmation by the Board of Directors in order to maintain continuity; said members will be appointed for varying terms from one (1) to five (5) years. The President shall be appointed by the Chair with input from the Chair of the Professional Standards Committee. A Committee member shall continue in this capacity through the conclusion of any pending cases, even though a Committee member's term expired prior to the rendering of a decision in said case(s).

Appeal Hearing Panel

The Appeal Hearing Panel shall consist of a Quorum of the Board of Directors.

Ethics Hearing Panel

The Professional Standards Committee Chairman shall appoint a panel of five (5) members from the Professional Standards Committee, with one being designated as Chair, to hear an Ethics complaint. An alternate panel member may be selected to attend a hearing in a non-voting, learning capacity.

Arbitration Hearing Panel

The Professional Standards Committee Chairman shall appoint a panel of three (3) members with one being designated as Chair, to hear an Arbitration.

Mediation Officer

The Chairman of the Professional Standards Committee shall appoint a Mediation Officer to conduct Mediations. Mediation service will be offered in an arbitration request immediately following the Grievance Committee's decision to forward the request for arbitration to a formal hearing.

Training

All members of Professional Standards Committee, Grievance Committee and the Board Mediator(s) must meet the following requirements:

- 1) Show proof of having taken the 8-hour GRI and accredited Ethics and Professional Practice Course.
- 2) All new Committee members must take the Board approved annual Professional Standards Training Session the first two years they are a member
- 3) After the second year of service, Committee members must attend the annual Board approved Professional Standards Training Session, or one approved by the Board, at least once every three years
- 4) No Committee member may remain current in any of the listed capacities without meeting the above requirements.
- 5) The Executive Director (ED) of the Board and the Professional Standards Committee President shall have the ability to request an exception to any of the above with approval by the Board of Directors.

New members of the Board of Directors shall be required to attend the Board approved annual Professional Standards Training Session the year they are elected, and all members of the Board of Directors are encouraged to attend annually.

The Professional Standards Training session shall be a course designed by, accredited by or recommended by the Chairman of the Professional Standards Committee and shall include but not be limited to revisions of the Code of Ethics as well as revisions and updates to the Standards of Practice and case studies. There shall also be a review of the procedure and process for filing of complaints, the process of the Grievance Committee and processing of both Ethics Hearings and Arbitration Hearings.

Fees

- a) An Arbitration filing fee in the amount of \$500 will be collected from both parties to the Arbitration.

b) The arbitration filing fee of the prevailing party will be returned. If there is a split award, the Hearing Panel will determine the disposition of filing fees.

c) The Aspen Board of REALTORS® will require a \$100 filing fee to file a Request for Appeal (Ethics) and a \$100 filing fee for a Request for Procedural Review (Arbitration). If the Directors do confirm a procedural error, the filing fee will be returned to the appropriate party.

d) The Aspen Board of REALTORS® will not impose an administrative processing fee.

e) Administrative expenses of Regional Professional Standards Committee Hearings will be paid for by the Board where the Respondent is a member.

Notification

a) All communications related to Professional Standards Committee Ethics and Arbitration Hearings (i.e. Official Notice of Hearing, Hearing results) will be through certified United States mail. Hearing Panels will be provided copies of Ethics Complaints and Arbitration requests no less than fourteen (14) days prior to the Hearing.

b) The Respondent in an Ethics complaint or Arbitration request has fifteen (15) days to submit a response and is required to submit ten (10) copies of the response.

c) Parties are required to file requests for Rehearing or Appeal within twenty (20) days.

d) Parties to an arbitration or ethics hearing are required to give notice of counsel and/or witnesses fifteen (15) days prior to the scheduled date of the hearing.

e) In an Ethics hearing or Arbitration, Parties shall have 10 days from the date the list of Professional Standards Committee names are received, to challenge the qualification of any member of the Hearing Panel.

f) In an Appeal (Ethics or Arbitration) Parties shall have 10 days prior to the appeal, to challenge the qualification of any member of the Hearing Panel (Board of Directors) as per Section 2(f) and 27(f).

g) After receiving a request for arbitration the Grievance Committee shall have thirty (30) days for determination as to whether the matter is subject to arbitration.

h) The Grievance Committee may request Respondents in an ethics complaint or arbitration request to provide them with a written response within fifteen (15) days, however, the Grievance Committee is encouraged to refrain from asking the Respondents for a written response.

Board Attorney

a) The only individuals who may contact the Board Attorney in Professional Standards matters are the Chair of the Board, the Chairman of the Professional Standards Committee or their designee, and the Executive Director (ED).

b) The use of the Board Attorney at Ethics and Arbitration Hearings will be at the discretion of the Professional Standard Committee Chairman.

c) All Hearing Panel decisions (Ethics and Arbitration) will be reviewed by legal counsel prior to being sent to either party.

General

a) All Hearings shall be recorded by a court reporter. Parties involved in the Hearing may request a copy of the transcript. The cost of a transcript will be borne by the individual who requests it. The Board will retain the original copy and the individual(s) requesting the transcript will receive a copy. If both parties request a transcript, they will share the cost. Parties may not tape record the Hearings. The official recording for the Board will be a court reporter only.

b) The Executive Director (ED) or his/her designee will read the Decision of the Ethics Hearing Panel into the record when it is presented to the Board of Directors for confirmation.

c) The Aspen Board of REALTORS® Board will continue to provide voluntary arbitration as a service as offered under Statements of Professional Standards Policy in the manual, #3. Circumstances under which Arbitration is Contingent Upon the Realtor's® Voluntary Participation, and under Section 44, Duty and Privilege to Arbitrate, (4), (5) and (6).

d) The Aspen Board of REALTORS® Board will follow the expedited Ethics administrative procedures as outlined in Section 20 (f-o) of the manual.

e) The optional procedures in Subsections c-f of Section 53 of the manual regarding depositing arbitration awards with ABOR have not been adopted per recommendation of Board's legal counsel.

f) The Aspen Board of REALTORS® Board has chosen to follow Option #1 of Section 48(b) Submission to Arbitration of the manual. Option #1 states: Arbitration shall not proceed unless the signed Response and Agreement Form (Part Thirteen, Form #A-4), and deposit amount have been received from the respondent.

g) That Section of the N.A.R. Code of Ethics and Arbitration Manual is supplemented as follows:

When a designated REALTOR® Broker Member of a principal office and/or branch manager REALTOR® Broker Member is suspended or expelled, a notice shall be sent to all other members of that firm or office, as applicable notifying them of the suspension or expulsion. When a branch manager REALTOR® Broker Member is suspended, the following subparagraphs (h), (i), and (j) shall apply only for that office. The period of suspension shall not begin earlier than thirty (30) days following notification.

h) The retention, withdrawal and submission of listings in MLS by the firm and/or branch office shall be in accordance with the rules of Service. Regular fees will be charged for resubmission of listings after the suspension period expires.

i) A suspended REALTOR® Member is forbidden to use the term REALTOR® during the period of suspension.

j) When a designated REALTOR® Broker Member of a principal office is suspended, he may not advertise as a REALTOR® any properties listed with his firm, nor may he nor any other person in his firm use the designation in connection with, but not limited to, office signs, letterheads, business cards, posters or other advertising. When a branch manager REALTOR® Broker Member is suspended the same restriction shall apply to that office which he/she manages.

k) The Board will NOT include the names of parties when the Decision of the Hearing Panel is presented to the Directors for ratification (Section 22a).

l) The Aspen Board of REALTORS® will NOT publish the names of Code of Ethics violators after a second violation occurs within a three (3) year period (Section 45).

Please contact the Aspen Board of REALTORS® with any questions you may have at 970-927-0235.