



Code of Ethics and Standards of Practice of the CCIM Institute of the National Association of REALTORS®

CCIM DESIGNEES and CCIM Institute CANDIDATES are members of the CCIM Institute (referred to herein as the Institute). Where the term “CCIM Institute Members” is used in this Code and Preamble, it shall apply to both categories of membership.

While the Code of Ethics establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethics and the law conflict, the obligations of the law must take precedence.

PREAMBLE

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. Institute members should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which Institute members should dedicate themselves, and for which they should be diligent in preparing themselves. Institute members, therefore, are zealous to maintain and improve the standards of their calling and share a common responsibility for its integrity and honor.

In recognition and appreciation of their obligations to clients, customers, the public, and each other, Institute members continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the CCIM designation, the CCIM Institute or the real estate profession.

CCIM Institute members having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm, bring such matters to the attention of the appropriate Board or Association of REALTORS® and the CCIM Institute. (NAR Amended 1/00; CCIM Amended 10/06)

Realizing that cooperation with other real estate professionals promotes the best interests of those who utilize their services, Institute members urge exclusive representation of clients; do not attempt to gain any unfair advantage over their competitors; and they refrain from making unsolicited comments about other practitioners. In instances where their opinion is sought, or where Institute members believe that comment is necessary, their opinion is offered in an objective, professional manner, uninfluenced by any personal motivation or potential advantage or gain.

The CCIM designation has come to connote competency, fairness, and high integrity resulting from adherence to an ideal of moral conduct in business relations. No inducement of profit and no instruction from clients can ever justify departure from this ideal.

In the interpretation of this obligation, Institute members can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, “Treat others the way you would wish to be treated.”

Accepting this standard as their own, Institute members pledge to observe its spirit in all of their activities whether conducted personally, through associates or others, or via technological means, and to conduct their business in accordance with the tenets set forth below. (NAR Amended 01/07; CCIM Amended 04/08)

Duties to Clients and Customers

ARTICLE 1

When representing a buyer, seller, landlord, tenant, or other client as an agent, Institute members pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve Institute members of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, Institute members remain obligated to treat all parties honestly. (NAR Amended 1/01)

Standard of Practice 1-1

Institute members, when acting as principals in a real estate transaction, remain obligated by the duties imposed by the Code of Ethics.

Standard of Practice 1-2

The duties imposed by the Code of Ethics encompass all real estate-related activities and transactions whether conducted in person, electronically, or through any other means.

The duties the Code of Ethics imposes are applicable whether Institute members are acting as agents or in legally recognized non-agency capacities except that any duty imposed exclusively on agents by law or regulation shall not be imposed by this Code of Ethics on Institute members acting in non-agency capacities.

As used in the in this Code of Ethics, “client” means the person(s) or entity(ies) with whom a Institute members or firm has an agency or legally recognized non-agency relationship; “customer” means a party to a real estate transaction who receives information, services, or benefits but has no contractual relationship with a Institute member or firm; “prospect” means a purchaser, seller, tenant, or landlord who is not subject to a representation relationship with the Institute member or Institute member’s firm; and “agent” means a real estate licensee (including brokers and sales associates) acting in an agency relationship as defined by state law or regulation; and “broker” means a real estate licensee (including brokers and sales associates) acting as an agent or in a legally recognized non-agency capacity. (Adopted 1/95; NAR Amended 1/07; CCIM Amended 4/08)

Standard of Practice 1-3

Institute members, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

Standard of Practice 1-4

Institute members, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of their services.

Standard of Practice 1-5

Institute members may represent the seller/landlord and buyer/tenant in the same transaction only after full disclosure to and with informed consent of both parties.

Standard of Practice 1-5

Institute members shall submit offers and counter-offers objectively and as quickly as possible.

Standard of Practice 1-7

When acting as listing brokers, Institute members shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Institute members shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. Institute members shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease.

Standard of Practice 1-8

Institute members acting as agents or brokers of buyers/tenants shall submit to buyers/tenants all offers and counter-offers until acceptance, but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. Institute members acting as agents or brokers of buyers/tenants shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. (Amended 1/99)

Standard of Practice 1-9

The obligation of Institute members to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationships recognized by law continues after termination of agency relationships or any non-agency relationship recognized by law. Institute members shall not knowingly, during or following the termination of professional relationships with their clients:

1. Reveal confidential information of clients; or
2. Use confidential information of clients to the disadvantage of clients; or
3. Use confidential information of clients for the Institute members advantage or the advantage of third parties unless:
 - a. clients consent after full disclosure; or
 - b. Institute members are required by court order; or
 - c. It is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
 - d. It is necessary to defend an Institute member or the Institute member's employees or associates against an accusation of wrongful conduct.

(Amended 1/99)

Information concerning latent material defects is not considered confidential information under this Code of Ethics. (NAR Amended 1/01)

Standard of Practice 1-10

Institute members shall, consistent with the terms and conditions of their property management agreement, competently manage the property of clients with due regard for the rights, responsibilities, benefits, safety and health of tenants and others lawfully on the premises.

Standard of Practice 1-11

Institute members who are employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect it against reasonably foreseeable contingencies and losses.

Standard of Practice 1-12

When entering into listing contracts, Institute members must advise sellers/landlords of:

1. the Institute member's company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents and/or brokers acting in legally recognized non-agency capacities;
2. the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interest of buyers/tenants; and
3. any potential for listing brokers to act as disclosed dual agents e.g. buyer/tenant agents.

(Amended 1/99; NAR Amended 5/02)

Standard of Practice 1-13

When entering into buyer/tenant agreements, Institute members must advise potential clients of:

1. the Institute member's company policies regarding cooperation;
2. the amount of compensation to be paid by the client;
3. the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties; and
4. any potential for the buyer/tenant agent representative to act as a disclosed dual agent, e.g. listing broker, subagent, landlord's agent and
5. the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties.

(NAR Adopted 1/93; Renumber 1/98, NAR Amended 01/06).

Standard of Practice 1-14

Fees for preparing appraisals or other valuations shall not be contingent upon the amount of the appraisal or valuation. (NAR Adopted 11/01)

Standard of Practice 1-15

Institute members, in response to inquiries from buyers or cooperating brokers shall, with the seller's approval, disclose the existence of offers on the property. Where disclosure is authorized, Institute Members shall also disclose whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. (Adopted 1-03, Amended 01/06)

ARTICLE 2

Institute members shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. Institute members shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. (NAR Amended 1/00).

Standard of Practice 2-1

Institute members shall only be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in those areas required by their real estate licensing authority. Article 2 does not impose upon Institute members the obligation of expertise in other professional or technical disciplines.

Standard of Practice 2-4

Institute members shall not be parties to the naming of a false consideration in any document, unless it is the naming of an obviously nominal consideration.

Standard of Practice 2-5

Factors defined as “non-material” by law or regulation or which are expressly referenced in law or regulation as not being subject to disclosure are considered not “pertinent” for purposes of Article 2.

ARTICLE 3

Institute members shall cooperate with other Institute members and brokers except when cooperation is not in the client’s best interest. The obligation to cooperate does not include the obligation to share commissions, fees, or to otherwise compensate another broker.

Standard of Practice 3-1

Institute members, acting as exclusive agents or brokers of sellers/landlords, establish the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation. Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation. (Amended 1/99)

Standard of Practice 3-2

Institute members shall, with respect to offers of compensation to another Institute member, timely communicate any change of compensation for cooperative services to the other Institute member prior to the time such Institute member produces an offer to purchase/lease the property.

Standard of Practice 3-3

Standard of Practice 3-2 does not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation.

Standard of Practice 3-4

Institute members, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker’s firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker).

The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client.

Standard of Practice 3-5

It is the obligation of subagents to promptly disclose all pertinent facts to the principal’s agent prior to as well as after a purchase or lease agreement is executed.

Standard of Practice 3-6

Institute members shall disclose the existence of accepted offers, including offers with unresolved contingencies, to any broker seeking cooperation. (NAR Amended 11/03)

Standard of Practice 3-7

When seeking information from another Institute member concerning property under a management or listing agreement, Institute members shall disclose their membership status in the Institute and whether their interest is personal or on behalf of a client and, if on behalf of a client, their representational status.

Standard of Practice 3-8

Institute members shall not misrepresent the availability of access to show or inspect a listed property.

ARTICLE 4

Institute members shall not acquire an interest in or buy or present offers from themselves, any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest, on any real property without making their true position known to the owner or the owner's agent. In selling property they own, or in which they have any interest, Institute members shall reveal their ownership or interest in writing to the purchaser or the purchaser's representative.

Standard of Practice 4-1

For the protection of all parties, the disclosures required by Article 4 shall be in writing and provided by the Institute member prior to the signing of any contract.

ARTICLE 5

Institute members shall not undertake to provide professional services concerning a property or its value where they have a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

ARTICLE 6

Institute members 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.) Institute members 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 Institute member or firm may receive as a direct result of such recommendation. (Amended 1/99)

Standard of Practice 6-1

Institute members shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion.

ARTICLE 7

In a transaction, Institute members shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of the Institute member's client or clients.

ARTICLE 8

Institute members shall keep in a special account in an appropriate financial institution, separated from their own funds, monies coming into their possession in trust for other persons, such as escrows, trust funds, clients' monies, and other like items.

ARTICLE 9

and leases are in writing and in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party to such agreements upon their signing or initialing. (NAR Amended 11/03)

Standard of Practice 9-1

For the protection of all parties, Institute members shall use reasonable care to ensure that documents pertaining to the purchase, sale, or lease of real estate are kept current through the use of written extensions or amendments.

Standard of Practice 9-2

When assisting or enabling a client or customer in establishing a contractual relationship (e.g., listing and representation agreements, purchase agreements, leases, etc.) electronically, Institute members shall make reasonable efforts to explain the nature and disclose the specific terms of the contractual relationship being established prior to it being agreed to by a contracting party. (NAR Adopted 1/07; CCIM Adopted 4/08)

Duties to the Public

ARTICLE 10

Institute members shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. Institute members shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin.

Standard of Practice 10-1

When involved in the sale or lease of a residence, Institute members shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, Institute members may provide other demographic information. (NAR Amended 01/06)

Standard of Practice 10-2

Institute members shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, or national origin. (NAR Amended 5/04)

Standard of Practice 10-3

When not involved in the sale or lease of a residence, Institute members may provide demographic information related to a property, transaction or professional assignment to a party if such demographic information is (a) deemed by the Institute member to be needed to assist with or complete, in a manner consistent with Article 10, a real estate transaction or professional assignment and (b) is obtained or derived from a recognized, reliable, independent, and impartial source. The source of such information and any additions, deletions, modifications, interpretations, or other changes shall be disclosed in reasonable detail. (NAR Adopted 5/04)

Standard of Practice 10-4

As used in Article 10 “real estate employment practices” relates to employees and independent contractors providing real estate-related services and the administrative and clerical staff directly supporting those individuals. (NAR Adopted 1/00; Amended 5/04)

ARTICLE 11

The services which Institute members provide to their clients and customers, and in the case of corporate real estate, to their employers, Institute members shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically: commercial investment real estate brokerage, corporate real estate, general real estate brokerage, real property management, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

Institute members shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth.

Standard of Practice 11-1

When CCIM Institute members prepare opinions of real property value or price, other than in pursuit of a listing or to assist a potential purchaser in formulating a purchase offer, such opinions shall include the following:

1. identification of the subject property
2. date prepared
3. defined value or price
4. limiting conditions, including statements of purpose(s) and intended user(s)
5. any present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants
6. basis for the opinion, including applicable market data
7. if the opinion is not an appraisal, a statement to that effect

(NAR amended 1/0 1)

Standard of Practice 11-2

The obligations of the Code of Ethics in respect of real estate disciplines other than appraisal shall be interpreted and applied in accordance with the standards of competence and practice which clients and the public reasonably require to protect their rights and interests considering the complexity of the transaction, the availability of expert assistance, and, where the Institute member is an agent or subagent, the obligations of a fiduciary.

Standard of Practice 11-3

When Institute members provide consultative services to clients which involve advice or counsel for a fee (not a commission), such advice shall be rendered in an objective manner and the fee shall not be contingent on the substance of the advice or counsel given. If brokerage or transaction services are to be provided in addition to consultative services, a separate compensation may be paid with prior agreement between the client and Institute member.

Standard of Practice 11-4

The competency required by Article 11 relates to services contracted for between CCIMs and their clients or customer; the duties expressly imposed by the Code of Ethics; and the duties imposed by law or regulation.
(NAR Adopted 11/01)

ARTICLE 12

Institute members shall be careful at all times to present a true picture in their advertising and representations

to the public. Institute members shall also ensure that their professional status (e.g., broker, appraiser, property manager, etc.) is clearly identifiable in any such advertising. (CCIM Amended 10/06)

Standard of Practice 12-1

Institute members may use the term ‘free’ and similar terms in their advertising and in other representations provided that all terms governing availability of the offered product or service are clearly disclosed at the same time.

Standard of Practice 12-2

Institute members may represent their services as ‘free’ or without cost even if they expect to receive compensation from a source other than their client, provided that the potential for the same Institute member to obtain a benefit from a third party is clearly disclosed at the same time.

Standard of Practice 12-3

The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, selling, purchasing, or leasing through the Institute member making the offer.

However, Institute members must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the Institute member’s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by any applicable Standard of Practice.

Standard of Practice 12-4

Institute members shall not offer for sale/lease or advertise property without authority. When acting as listing brokers or as subagents, Institute members shall not quote a price different from that agreed upon with the seller/landlord.

Standard of Practice 12-5

Institute members shall not advertise nor permit any person employed by or affiliated with them to advertise listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that Institute member’s firm in a reasonable and readily apparent manner. (Adopted 11/83, NAR Amended 1/07; CCIM Amended 4/08)

Standard of Practice 12-6

Institute members, when advertising unlisted real property for sale/lease in which they have an ownership interest, shall disclose their status as both owners/landlords and as Institute members or real estate licensees.

Standard of Practice 12-7

Only Institute members who participated in the transaction as the listing broker or cooperating broker (selling broker) may claim to have “sold” the property. Prior to closing, a cooperating broker may post a “sold” sign only with the consent of the listing broker.

Standard of Practice 12-8

The obligation to present a true picture in representations to the public includes information presented, provided, or displayed on Institute member’s websites. Institute Members shall use reasonable efforts to ensure that information on their website is current. When it becomes apparent that information on an Institute member’s website is no longer current or accurate, Institute members shall promptly take corrective action. (NAR Adopted 1/07; CCIM Adopted 4/08)

Standard of Practice 12-9

CCIM member firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner.

Websites of Institute members and non-member licensees affiliated with an Institute members firm shall disclose the firm's name and that Institute member's or non-member licensee's state(s) of licensure in a reasonable and readily apparent manner. (NAR Adopted 1/07; CCIM Adopted 4/08)

Standard of Practice 12-10

Institute members' obligation to present a true picture in their advertising and representations to the public includes the URLs and domain names they use, and prohibits Institute members from:

1. engaging in deceptive or unauthorized framing of real estate brokerage websites;
2. manipulating (e.g., presenting content developed by others) listing content in any way that produces a deceptive or misleading result; or
3. deceptively using metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic, or to otherwise mislead consumers. (NAR Adopted 1/07; CCIM adopted 4/08)

Standard of Practice 12-11

Institute members intending to share or sell consumer information gathered via the Internet shall disclose that possibility in a reasonable and readily apparent manner. (NAR Adopted 1/07; CCIM Adopted 4/08)

ARTICLE 13

Institute members shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

ARTICLE 14

If charged with unethical practice or asked to present evidence or to cooperate in any other way, in any professional standards proceeding or investigation, Institute members shall place all pertinent facts before the proper tribunals of the Institute and shall take no action to disrupt or obstruct such processes. (Amended 1/99)

Standard of Practice 14-1

Institute members shall not be subject to disciplinary proceedings in more than one REALTOR® affiliated organization in which they hold membership with respect to alleged violations of the Code of Ethics relating to the same transaction or event.

Standard of Practice 14-2

Institute members shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review.

Standard of Practice 14-3

Institute members shall not obstruct the Institute's investigative or professional standards proceedings by instituting or threatening to institute actions for libel, slander or defamation against any party to a professional standards proceeding or their witnesses based on the filing of an arbitration request, an ethics complaint, or testimony given before any tribunal. (Amended 1/99)

Standard of Practice 14-4

Institute members shall not intentionally impede the Institute's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction.

Duties to Institute Members

ARTICLE 15

Institute members shall not knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices.

Standard of Practice 15-1

CCIM Institute members shall not knowingly or recklessly file false or unfounded ethics complaints. (NAR adopted 1/00)

Standard of Practice 15-2

The obligation to refrain from making false or misleading statements about competitors' businesses and competitors' business practices includes the duty to not knowingly or recklessly repeat, retransmit, or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means (e.g., the Internet), or by any other means. (NAR adopted 1/07; CCIM Adopted 4/08)

ARTICLE 16

Institute members shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other Institute members have with clients. (Amended 1/98)

Standard of Practice 16-1

Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other Institute members involving commission, fees, compensation or other forms of payment or expenses.

Standard of Practice 16-2

Article 16 does not preclude Institute members from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another Institute member. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed "general" for purposes of this standard. (Amended 1/98)

Article 16 is intended to recognize as unethical two basic types of solicitations:

First, telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilations, or other information service as having exclusively listed their property with another Institute member.

Second, mail or other forms of written solicitations of prospects whose properties are exclusively listed with another Institute member when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, "for sale" or "for rent" signs, or other sources of information required by Article 3 and Multiple Listing Service rules to be made available to other Institute members under offers of sub-agency or cooperation. (NAR Amended 11/03)

Standard of Practice 16-3

Article 16 does not preclude Institute members from contacting the client of another broker for the purpose of

offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the

type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a commercial property information exchange, Multiple Listing Service, or any other offer of cooperation may not be used to target clients of other Institute members to whom such offers to provide services may be made. (NAR Amended 11/03)

Standard of Practice 16-4

Institute members shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the Institute member, refuses to disclose the expiration date and nature of such listing; i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the Institute member may contact the owner to secure such information and may discuss the terms upon which the Institute member might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing.

Standard of Practice 16-5

Institute members shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant. However, if asked by a Institute member, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the Institute member may contact the buyer/tenant to secure such information and may discuss the terms upon which the Institute member might enter into a future buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. (Amended 1/98)

Standard of Practice 16-6

When Institute members are contacted by the client of another Institute member regarding the creation of an exclusive relationship to provide the same type of service, and Institute members have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternately, may enter into an agreement which becomes effective upon the expiration of an existing exclusive agreement. (Amended 1/98)

Standard of Practice 16-7

The fact that a prospect has retained an Institute member as an exclusive representative or exclusive broker in one or more past transactions does not preclude other Institute members from seeking such prospect's future business (Amended 1/98; NAR Amended 11/03)

Standard of Practice 16-8

The fact that an exclusive agreement has been entered into with an Institute member shall not preclude or inhibit any other Institute member from entering into a similar agreement after the expiration of the prior agreement. (Amended 1/98)

Standard of Practice 16-9

Institute members, prior to entering into a representation, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service. (Amended 1/98; NAR Amended 11/03)

Standard of Practice 16-10

Institute members, acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease. (Amended 1/98; NAR Amended 11/03)

Standard of Practice 16-11

On unlisted property, Institute members acting as buyer/tenant representatives or brokers shall disclose that

relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement. Institute members shall make any request for anticipated compensation from the seller/landlord at first contact. (Amended 1/98; NAR Amended 11/03)

Standard of Practice 16-12

Institute members, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement. (Amended 1/98; NAR Amended 11/03)

Standard of Practice 16-13

All dealings concerning property exclusively listed, or with buyers/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, Institute members shall ask prospects whether they are a party to any exclusive representation agreement. Institute members shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects. (Amended 1/98; NAR Amended 5/02; NAR Amended 11/03)

Standard of Practice 16-14

Institute members are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent. (Amended 1/98)

Standard of Practice 16-15

In cooperative transactions, Institute members shall compensate cooperating Institute members (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other Institute members without the prior express knowledge and consent of the cooperating broker.

Standard of Practice 16-16

Institute members, acting as subagents or buyer/tenant representatives or brokers, shall not use the term of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representatives or brokers nor make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation. (Amended 1/98; NAR Amended 11/03)

Standard of Practice 16-17

Institute members acting as subagents or as buyer/tenant representatives, shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker. (NAR Amended 01/04)

Standard of Practice 16-18

Institute members shall not use information obtained from listing brokers, through offers to cooperate made through commercial property information exchanges, multiple listing services, or through other offers of cooperation, to refer listing brokers' clients to other brokers, or to create buyer/tenant relationships with listing clients unless such use is authorized by listing brokers.

Standard of Practice 16-19

Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the owner or the owner's legal representative.

Standard of Practice 16-20

Institute members, prior to or after terminating their relationship with their current firm, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude Institute members (principals) from establishing agreements with their affiliated licensees governing assignability of exclusive agreements. (Amended 1/98)

ARTICLE 17

In the event of contractual disputes or specific non-contractual disputes as defined in Standard of Practice 17-4 between Institute members associated with different firms, arising out of their relationship as Institute members, the Institute members shall submit the dispute to arbitration in accordance with the regulations of the Institute rather than litigate the matter.

In the event clients of Institute members wish to arbitrate contractual disputes arising out of real estate transactions, Institute members shall arbitrate those disputes in accordance with the regulations of the Institute, provided the clients agree to be bound by the decision.

The obligation to participate in arbitration contemplated by this Article includes the obligation of CCIM Institute Members (principals) to cause their firms to arbitrate and be bound by any award. (Adopted 1/01)

Standard of Practice 17-1

The filing of litigation and refusal to withdraw from it by Institute members in an arbitrable matter constitutes a refusal to arbitrate.

Standard of Practice 17-2

Article 17 does not require Institute members to arbitrate in those circumstances when all parties to the dispute advise the Institute in writing that they choose not to arbitrate before the Institute.

Standard of Practice 17-3

Institute members, when acting solely as principals in a real estate transaction, are not obligated to arbitrate disputes with other Institute members absent a specific written agreement to the contrary.

Standard of Practice 17-4

1. Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. (Adopted 1/97; NAR Amended 1/07; CCIM Amended 4/08)

2. Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing bro-

ker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the seller or landlord and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. (Adopted 1/97; NAR Amended 1/07; CCIM Amended 4/08)

3. Where a buyer or tenant representative is compensated by the buyer or tenant and, as a result, the listing broker reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sales or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. (Adopted 1/97)

4. Where two or more listing brokers claim entitlement to compensation pursuant to open listing with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers. (Adopted 1/97)

5. Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases arbitration shall be between the listing broker and the buyer or tenant representative and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed. (Adopted 1/05)

Standard of Practice 17-5

The obligation of arbitrate established in Article 17 includes disputes between Institute members (principals) in different states in instances where, absent an established inter-association arbitration agreement, the Institute member (principal) requesting arbitration agrees to submit to the jurisdiction of, travel to, participate in, and be bound by any resulting award rendered in arbitration conducted by the respondent(s) Institute member's association, in instances where the respondent(s) Institute member's association determines that an arbitrable issue exists. (NAR Adopted 1/07; CCIM Adopted 4/08)

Explanatory Notes

The reader should be aware of the following policies that have been approved by the Governing Council of the CCIM Institute:

In filing a charge of an alleged violation of the Code of Ethics by an Institute member, the charge must read as an alleged violation of one or more Articles of the Code. Standards of Practice may not be cited as the basis of the complaint, only in support of the charge.

The Standards of Practice serve to clarify the ethical obligations imposed by the various Articles and supplement, and do not substitute for the Case Interpretations in "Interpretations of the Code of Ethics."

Modifications to existing Standards of Practice and additional new Standards of Practice are approved from time to time. Readers are cautioned to ensure that the most recent publications are utilized.

The Code of Ethics of the CCIM Institute (Institute), first effective January 1, 1997, is substantially based upon that of the National Association of REALTORS® which was adopted in 1913 and was subsequently amended at annual conventions in 1924, 1928, 1950, 1951, 1952, 1955, 1956, 1961, 1962, 1974, 1982, 1986, 1987, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2008.