

## **ETHICS COMPLAINT PROCESS**

Time limit: Must be filed within 180 days of the time that the alleged offense and facts relating to it “could have been known by the complainant in the exercise of reasonable diligence” or within 180 days after the conclusion of the transaction whichever is later.

Fee: None

Complainant must complete an Ethics Complaint form and cite **which** article(s) of NAR’s Code of Ethics have been violated and explain **why** they felt the articles were violated. Supporting documentation relating to the complainant’s case i.e. contracts, settlement statement, etc. should also be included in their submission of the Ethics Complaint form.

The Grievance Committee acts as a grand jury and reviews the ethics complaint to determine if the allegations made, taken as true, might support a violation of the Article(s) cited in the complaint. If the Grievance Committee determines the complaint warrants a full hearing, the case is forwarded to the Professional Standards Committee. This does not mean they have decided the Code of Ethics has been violated. Rather, it means they feel that if what the complainant alleges is found to have occurred by the Professional Standards Hearing Panel, that panel may have reason to find that a violation of the Code of Ethics occurred. (That can be interpreted as a method of weeding out those complaints which even if valid do not rise to the level of an ethics matter.)

The Professional Standards Hearing Panel is comprised of 3 volunteer REALTOR® members. The Ethics Hearing will proceed similar to a court hearing. The Complainant attends the hearing and will be expected to present their case. They have the right to have legal counsel present and to call witnesses.

There is no monetary gain for the Complainant. If the REALTOR® is found in violation of the Code of Ethics, the REALTOR® will be sanctioned. That can range from a simple letter of warning to fines up to \$5,000, depending upon the severity of the violation. The association does not have the ability to revoke a license!

### **STEPS**

1. RAYAC sends ethics complaint form and Code of Ethics to Complainant.
2. Complainant submits form and supporting documents to RAYAC.
3. Grievance Committee reviews the complaint to determine if the allegation **could be a violation of the Code of Ethics.**
4. If no, then the parties are notified and the complainant has the opportunity to appeal the Grievance Committee Decision to the Board of Directors.
5. If yes, the Professional Standards Committee holds a hearing where Complainant appears to present their case.

## **Before You File an Ethics Complaint**

### **Background**

Boards and associations of REALTORS® are responsible for enforcing the REALTORS® Code of Ethics. The Code of Ethics imposes duties above and in addition to those imposed by law or regulation which apply only to real estate professionals who choose to become REALTORS®.

Many difficulties between real estate professionals (whether REALTORS® or not) result from misunderstanding, miscommunication, or lack of adequate communication. If you have a problem with a real estate professional, you may want to speak with them or with a principal broker in the firm. Open, constructive discussion often resolves questions or differences, eliminating the need for further action.

If, after discussing matters with your real estate professional or a principal broker in that firm, you are still not satisfied, you may want to contact the local board or association of REALTORS®. Many boards and associations have informal dispute resolving processes available to consumers (e.g. ombudsmen, mediation, etc.).

If, after taking these steps, you still feel you have a grievance, you may want to consider filing an ethics complaint. You will want to keep in mind that . . .

- Only REALTORS® and REALTOR-ASSOCIATE®s are subject to the Code of Ethics of the National Association of REALTORS®.
- If the real estate professional (or their broker) you are dealing with is not a REALTOR®, your only recourse may be the state real estate licensing authority or the courts.
- Boards and associations of REALTORS® determine whether the Code of Ethics has been violated, not whether the law or real estate regulations have been broken. Those decisions can only be made by the licensing authorities or the courts.
- Boards of REALTORS® can discipline REALTORS® for violating the Code of Ethics. Typical forms of discipline include attendance at courses and seminars designed to increase REALTORS®' understanding of the ethical duties or other responsibilities of real estate professionals. REALTORS® may also be reprimanded, fined, or their membership can be suspended or terminated for serious or repeated violations. Boards and associations of REALTORS® cannot require REALTORS® to pay money to parties filing ethics complaints; cannot award "punitive damages" for violations of the Code of Ethics; and cannot suspend or revoke a real estate professional's license.
- The primary emphasis of discipline for ethical lapses is educational, to create a heightened awareness of and appreciation for the duties the Code imposes. At the same time, more severe forms of discipline, including fines and suspension and termination of membership may be imposed for serious or repeated violations.

