



INDIANA ASSOCIATION OF REALTORS®, INC.

2008 Professional Standards - Article 12 of the Code of Ethics

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Clarifying, enhancing amendments have been made to Article 12 of NAR's Code of Ethics to ensure that the "true picture" test applies to all REALTOR® communications, including those made electronically (e.g. via the Internet, email, text messaging or through other methods).

Article 12 has been amended to read as follows: **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.**

Two new Standards of Practice related to Article 12 have been adopted and now read as follows:

New Standard of Practice 12-12 –

REALTORS® shall not:

- 1. use URLs or domain names that present less than a true picture, or**
- 2. register URLs or domain names which, if used, would present less than a true picture.**

New Standard of Practice 12-13 –

The obligation to present a true picture in advertising, marketing, and representations allows REALTORS® to use and display only professional designations, certifications, and other credentials to which they are legitimately entitled.

These new Standards of Practice will ensure that REALTORS® present a true picture in their URLs, domain names, and professional credentials. It will also prevent registration of URLs and domain names which, if used, would present an untrue picture and will help ensure availability of URLs and domain names for REALTORS® whose use would present a true picture.

A new case interpretation illustrating Article 12 as interpreted by Standard of Practice 12-10 has also been adopted by NAR's Professional Standards Committee and reads as follows:

REALTOR® A, a residential broker in a major metropolitan city, spent several weeks each year in his cabin in the north woods where he planned to retire one day. Even while at home in the city, REALTOR® A stayed abreast

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of local news, events, and especially the local real estate market by subscribing to the print and on-line editions of the local newspaper. He also bookmarked a number of north woods brokers' websites to stay current with the market and to watch for potential investment opportunities.

One evening while surfing the Internet, REALTOR® A came across a URL he was unfamiliar with—northwoodsandlakesmls.com. REALTOR® A was pleased to see the MLS serving the area where he vacationed for so many years had created a publicly-accessible website. Clicking on the link, he was surprised to find that the website he was connected with was not an MLS's website but instead was REALTOR® Z's company website. Having had prior dealings with REALTOR® Z, REALTOR® A spent some time carefully scrutinizing the website. He noted, among other things, that the name of REALTOR® Z's firm did not include the letters MLS.

REALTOR® A sent an e-mail to the association's executive officer asking whether REALTOR® Z had been authorized by the association to use the URL northwoodsandlakesmls.com and whether the association felt it presented a true picture as required by Article 12 of the Code of Ethics. The association executive responded that their association did not assign, review, or approve URLs used by their members, but added that if REALTOR® A felt a possible violation of the Code of Ethics had occurred, the appropriate step was to file an ethics complaint. REALTOR® A did just that, alleging in his complaint that when he clicked on what appeared to be a real estate-related URL that included the letters "MLS" he expected to be connected with a website operated by a multiple listing service. He stated he felt that REALTOR® Z's URL was deceptive and did not meet Article 12's true picture test.

At the hearing, REALTOR® Z defended his URL on a number of grounds including the fact that he was a participant in good standing in the MLS and that he was authorized under the MLS's rules to display other participants' listings on his website. "If I used 'MLS' in the name of my firm, I could see how that might be perceived as something less than a true picture," he argued, "but by simply using MLS in my URL I am telling consumers that they can get MLS-provided information about properties in the north woods from me. What could be truer than that?"

The hearing panel disagreed with REALTOR® Z's reasoning. While REALTOR® Z's website included information about other participants' listings that the MLS had provided—and that REALTOR® Z was authorized to display—the fact remained that a real estate-related URL that included the letters MLS would lead reasonable consumers to conclude that the website would be an MLS's, and not a broker's website. REALTOR® Z was found in violation of Article 12 as interpreted by Standard of Practice 12-10.

In sum, REALTORS® must be honest and truthful in their real estate communications and present a "true picture" in their advertising, including those communications made electronically. URLs and domain names must present a "true picture" under this new Standard of Practice, as well as designations, certifications and other credentials to which a REALTOR® is legitimately entitled.

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