

## NAR'S 14 POINT MULTIPLE LISTING POLICY

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NAR adopted a 14 Point Multiple Listing Policy on November 15, 1971. More than thirty-two years have elapsed since the adoption of that 14 Point Policy, which acts as the cornerstone for Realtor multiple listing services in the U.S.

### **What is the 14 Point Multiple Listing Policy?**

When NAR adopted its 14 Point Multiple Listing Policy, the industry was fragmented, numerous multiple listing services followed arbitrary and exclusionary rules and some were established to avoid exposure of their listings to the full marketplace. Moreover, in the early 1970's, the entire real estate industry was under attack by the United States Justice Department because of alleged violations of the anti-trust laws relating to the establishment of commissions by Boards of Realtors and the concerns that multiple listing was a basis for establishing arbitrary rules which suppressed competition.

In response, NAR adopted its 14 Point Multiple Listing Policy which has well served the Realtor community.

The 14 Point Policy states as follows:

- "1. MLS shall not: Fix, control, recommend, suggest or maintain commission rates or fees for services to be rendered by Members.
2. MLS shall not: Fix, control, recommend, suggest or maintain any percentage division of commissions or fees between cooperating Members and between Members and nonmembers.
3. MLS shall not: Require financial support of Multiple Listing Service operations by any formula based on commission or sales price.
4. MLS shall not: Require or use any form which establishes or implies the existence of any contractual relationship between the Multiple Listing Service and the client (buyer or seller).
5. MLS shall not: Make any rule relating to the posting or use of signs.
6. MLS shall not: Make any rule prohibiting or discouraging cooperation with nonmembers.

7. MLS shall not: Limit or interfere with the terms of the relationship between a Member and his salesmen.

8. MLS shall not: Prohibit or discourage any Members from political participation or activity.

9. MLS shall not: Make any rule granting blanket consent to a selling Member to negotiate directly with the seller (owner).

10. MLS shall not: Make any rule regulating the advertising or promotion of any listing.

11. MLS shall not: Prohibit or discourage a Member from accepting a listing from a seller (owner) preferring to give "office exclusive."

12. MLS shall not: Adopt any rule denying a listing Member from controlling the posting of "sold" signs.

13. MLS shall not: Reject any exclusive listing submitted by a Member on the basis of the quality or price of the listing.

14. MLS shall not: Adopt rules authorizing the modification or change of any listing without the express written permission of the listing Member."

### **A Realtor's Obligation**

A Realtor who is a member of a multiple listing service which is not affiliated with or owned by a Board of Realtors, is required to comply with NAR's 14 Point Policy Program. Accordingly, Realtors are not permitted to engage in practices which are prohibited by NAR's 14 Point Policy even if they work through a multiple listing service which is not Realtor owned.

### **How Does NAR Enforce the 14 Point Policy Program?**

The National Association of Realtors established its Member Policy Department in part to implement adherence to the 14 Point Multiple Listing Policy. Every multiple listing service affiliated with a Board of Realtors, must submit to the National Association of Realtors, a copy of its Bylaws and Rules and Regulations in order that members of the Member Policy Department of NAR can review the governing documents of each entity to ensure compliance with the 14 Point Multiple Listing Policy.

## **Consequences of Non-Compliance**

When a multiple listing service does not adhere to the 14 Point Policy of the National Association of Realtors, the Board of Realtors and the multiple listing service are denied coverage under the Errors and Omissions Insurance Program of the National Association of Realtors. Every Board of Realtors in the U.S. (and its multiple listing service), which is in compliance with NAR's policies, is automatically covered without additional cost, for errors and omissions insurance coverage through the National Association of Realtors blanket insurance policy. While additional coverages are made available through NAR, the basic policy protections are extremely important to most Boards, particularly to smaller entities. More importantly, adherence to NAR policies ensures that a board of directors of a multiple listing service, is operating not only within the law but within NAR's guidelines so that appropriate protection can be afforded to officers and directors acting on a volunteer basis.

## **Orderly Governance for MLS Directors**

Through the years, many MLS participants have asked why the MLS does not regulate the advertising practices of particular brokers or why the MLS does not require every broker to hold an open house on a particular day of the week following the time that a listing is taken. Reference to the 14 Point Policy of NAR results in an understanding of why MLS directors are unable to implement such policies. Section 10 indicates that "MLS shall not: make any rule regulating the advertising or promotion of any listings." The purpose of this Policy Point is to preclude the establishment of regulations limiting advertising or promotion of listings by the listing agent. As long as the advertising or promotional activities do not involve dishonesty or misrepresentation, a listing agent is free to market his or her listing in whatever manner the agent and the owner have agreed upon. Such policies produce creativity and a competitive environment for the brokerage community and the public.

## **The Public Is Well Served**

When viewed together with the Realtor Code of Ethics, NAR's 14 Point Multiple Listing Policy, has produced an environment which encourages cooperation between brokers, a competitive market for commission negotiations between listing agents and property owners, informed consumers who have an understanding of why the listing agent makes an offer of cooperation to other MLS members, and most importantly, an environment in which people of all races, colors, religions, etc. can have access to virtually all of the properties which are available in a marketplace.

The individuals who created NAR's 14 Point Multiple Listing Policy are to be applauded for having undertaken a very simple and straight forward approach to ensuring that MLS's throughout the United States truly serve the public and the brokerage community at the same time.