

## **MLS Rule Compliance and Schedule of Fines for Administrative Sanctions**

### **Compliance with Rules: Authority to Impose Discipline**

By becoming and remaining a participant or subscriber in the MLS, each participant and subscriber agrees to be subject to the rules and regulations and any other MLS governance provision. The MLS may, through the administrative and hearing procedures established in these rules, impose discipline for violations of the rules and other MLS governance provisions. Discipline that may be imposed may only consist of one or more of the following:

- a. Letter of warning
- b. Letter of reprimand
- c. Attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- d. Appropriate, reasonable fine not to exceed \$15,000
- e. Suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- f. Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

\*Any MLS must issue sanctions for violations of MLS rules. In any instance where a participant in an association multiple listing service is charged with a violation of the MLS bylaws or rules and regulations of the service, and such charge does not include alleged violations of the Code of Ethics or the Standards of Conduct for MLS participants, or a request for arbitration, recipients of an administrative sanction may request a hearing before the professional standards committee of the association.

\*Listing Agent Must be a Subscriber (IRMLS Rules and Regulations Section 1.16) – In order for a listing to be include in the MLS system, the listing agent must be a Subscriber affiliated with a Participant of the MLS who is a current member in good standing. Co-Exclusive listings with a Non-Participating office (or Non-Participating Brand Offices) of the MLS Service are not accepted. A fine of \$350 will be assessed to the Participant if the co-exclusive listing is entered into the MLS system.

\*Documentation Upon Request (IRMLS Rules and Regulations Section 1.17) – All MLS documentation related to the listing 9e.g., listing agreement, addendums, etc.) must be provided immediately upon request, but no more than 24 hours after such a request by the Association or IRMLS. The listing broker grants the MLS permission to audit listing files to determine compliance with the MLS Rules and Regulations for up to one year past the closing or expiration date of the listing. If the Participant does not comply with an audit request, a fine of \$100 per day thereafter may be assessed and/or access to MLS data for that firm may be suspended until such compliance is obtained.

\*MLS Participants and Subscribers can receive no more than three administrative sanctions in a calendar year before they are required to attend a hearing for their actions and potential violations of the MLS rules, except that the MLS may allow more administrative sanctions for violations of listing information provided by Participants and Subscribers before requiring a hearing. The MLS must send a copy of all administrative sanctions against a subscriber to the subscriber's participant and the participant is required to attend the hearing of a subscriber who has received more than three administrative sanctions within a calendar year.

\*If the MLS holds hearings, an appeal process must be in place

\*MLS's may charge an administrative processing fee of up to \$500 in addition to any discipline imposed, used to help cover the costs of holding the hearing.

\*When requested by a complainant, MLSs must provide a process for processing complaints without revealing the complainant's identity. If the complaint is forwarded to hearing, then the MLS Committee, Grievance Committee, MLS staff or other representative must serve as the complainant when the original complainant does not consent to participating in the process or the disclosure of his or her name.

The integrity of data is a foundation of the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral, secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the goal of maintaining an orderly marketplace is maintained, and to further establish Realtor information as the trusted data source, MLS organizations owned and operated by associations of Realtors will implement the RESO Standards including: the RESO Data Dictionary by January 1, 2016; the RESO Web API by June 30, 2016 and will keep current by implementing new releases of RESO Standards within one year from ratification. Compliance with this requirement can be demonstrated using the Real Estate Standards Organization (RESO) Compliance certification Process. Web API data feeds provided to Participants and Subscribers must have no less than the same data fields in other data feeds, such as RETS, or FTP systems.

\*Maintaining accurate listing data is a critical necessity for achieving the defined purpose of the MLS. Participants and subscribers are required to submit accurate listing data and be required to correct any known errors.

\*BBOR's teared violation sanction structure resets for individuals at the start of each new calendar year.

\*Participants and subscribers will be notified of any known listing errors and/or inaccuracies identified via ListingDiv compliance checker, the Paragon error reporting function, or by a member of BBOR staff.

\*Written acknowledgement/response, corrections, and compliance is required within 48 hours of notice. Failure to correct the error or respond in the noted time frame will result in violation escalation.

\*For sanctions requiring fines, payment(s) is required within 30 days of notice.

<b>BBOR Administrative Sanctions For MLS Rule Violations</b>			
<b>Notice / Offense</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
1 <sup>st</sup> Notice	Written Warning/Education	Written Warning/Education	Written Warning/Education
2 <sup>nd</sup> Notice	\$250 Fine	\$375 Fine	\$500 Fine
3 <sup>rd</sup> Notice	\$500 Fine	\$750 Fine	\$1000 Fine
4 <sup>th</sup> Notice	MLS Privileges Suspended	MLS Privileges Suspended	MLS Privileges Suspended or Revoked

**Category 1**

- 1<sup>st</sup> Offense/Notice:** Written Warning + Rules and Regulations Education
- 2<sup>nd</sup> Offense/Notice:** \$250 Fine
- 3<sup>rd</sup> Offense/Notice:** \$500 Fine
- 4<sup>th</sup> Offense/Notice:** MLS Privileges suspended until issue(s) resolved and/or written acknowledgement received, and fines are paid.

**Category 2**

- 1<sup>st</sup> Offense/Notice:** Written Warning + Rules and Regulations Education
- 2<sup>nd</sup> Offense/Notice:** \$375 Fine
- 3<sup>rd</sup> Offense/Notice:** \$750 Fine
- 4<sup>th</sup> Offense/Notice:** MLS Privileges suspended until issue(s) resolved and/or written acknowledgement received, and fines are paid.

**Category 3**

- 1<sup>st</sup> Offense/Notice:** Written Warning + Rules and Regulations Education
- 2<sup>nd</sup> Offense/Notice:** \$500 Fine
- 3<sup>rd</sup> Offense/Notice:** \$1000 Fine
- 4<sup>th</sup> Offense/Notice:** Subject to temporary or permanent suspension of MLS participation subscription privileges Timeframe to be determined by hearing.

<b>Category 1 Violations</b>	
<b>Violation</b>	<b>MLS Rules</b>
Failure to submit accurate and complete listing information	Section 1.2.0 – Participants and subscribers are required to submit accurate listing data and required to correct any known errors Section 1.2.1 – Limited-Service Listings Section 1.2.2 – MLS Entry-only Listings Section 1.2 – Detail on Listings Filed with the Service Section 1.11 – Termination Date
Failure to report and update listing information	Section 1.4 – Change of Status of Listing, Section 1.5 – Withdrawal of Listing Prior to expiration 1.6 – Contingencies Applicable to Listings specified and disclosed Section 1.7 – Full gross Listing Price Specified (unless subject to auction) Section 2.5 – Reporting Sales to the Service, Reporting Resolutions of Contingencies, Reporting Cancellation of Pending Sale
Failure to list properties separately	Section 1.8 – Listing Multiple Unit Properties
Failure to follow showing instructions	Section 2 – Showings and Negotiations
Misuse of terms MLS and multiple listing service	Section 4.4 – Use of Terms MLS and Multiple Listing Service
Failure to include cooperative compensation	Section 5 – Compensation specified on each listing
Failure to disclose potential short sales	Section 5.0.1 – Disclosing Potential Short Sales
Failure to disclose the expiration date and nature of a listing	Section 16.4 -MLS Participants may not solicit a listing currently listed exclusively with another broker.
Misuse of MLS information	Section 16.6 – MLS participants shall not use information obtained from listing brokers through offers to cooperate made through MLS or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless authorized by listing brokers Section 16.17 – MLS participants are not precluded 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
Marketing remarks include information not related to property or violate Fair Housing regulations	Section 20 – Multiple Listing Services are important tools for furthering fair housing because they facilitate the widespread distribution of accurate property information to all consumers. MLS's must implement a process for identifying potential violations of fair housing laws, advising participants and subscribers to remove or correct potential violations. (Policy statement 8.1)

<b>IRMLS Rules and Compliance Local BMLS Addendum</b>	
<b>Violation</b>	<b>BMLS Rule</b>
Failure to submit listing to MLS in allotted timeframe of 3 calendar days	Listing must be entered into MLS database within three (3) calendar days (excluding holidays)
Failure to update listing status within 1 calendar day	Listing status must be updated in MLS database within one (1) calendar day of any changes to the listing
Failure to report sales or cancelled contracts within 2 calendar days	Agents must report sales or cancelled contracts to the MLS within two (2) calendar days of event
Failure to provide at least 1 photograph for listings in MLS	BMLS requires agents to submit a minimum of one (1) photograph of the listed property
Inclusion of non-representative photographs/images including people, branding, or agent marketing	MLS fields should not include non-representative photographs/images including people, branding, or agent marketing such as promotional messages, company logo, web addresses, or advertising of any kind
Lockbox access is shared with another agent, client or any other person	BMLS Supra Lockbox access is never to be shared with another person
Listing is withdrawn prior to expiration	MLS listing updates/changes (such as price changes or new photos) do not constitute that the listing is withdrawn/cancelled from the MLS and re-entered in the system with the updated information unless there is a new contract between the listing broker and seller
<b>Category 2 Violations</b>	
Failure to notify and provide access to an IDX display	Section 18.2.1 – Participants must notify the MLS of their intention to display IDX and give MLS direct access for purposes of monitoring compliance
Misuse of IDX content	Section 18.2.2 - MLS participants may not use IDX-provided listings for any purpose other than display as provided for in these rules
Failure to withhold listing or property address per seller's instructions	Section 18.2.3 - Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property address from all display on the Internet
Failure to refresh download within 12 hours	Section 18.2.5 - Participants must refresh all MLS downloads and IDX displays automatically fed by those downloads at least once every twelve hours.
Unauthorized distribution of MLS database	Section 18.2.6 - Except as provided in the IDX policy and these rules, and IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity
Failure to disclose the name of the brokerage firm	Section 18.2.7 - Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a 17 readily visible color and typeface. For purposes of the IDX policy and these rules, "control" means the

	ability to add, delete, modify and update information as required by the IDX policy and MLS rules.
Failure to disable third-party comments and AVMS	Section 18.2.8 - The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all displays controlled by participants'.
Failure to include email address or telephone number for displaying broker, or to correct false data	Section 18.2.9 - Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property.
Modifying or manipulating other participants listings	Section 18.2.11 - Participants shall not modify or manipulate information relating to other participants listings.
Failure to identify the listing firm	Section 18.2.12 - All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the medium used in the display of listing data.
Display of prohibited fields	Section 18.3.1 - Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS.
Failure to identify the listing agent	Section 18.3.4 - All listings displayed pursuant to IDX shall identify the listing agent.
Subscriber's display of IDX content without participant's consent	Section 18.3.5 - Non-principal brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own websites subject to their participant's consent and control and the requirements of state law and/or regulation
Failure to include the MLS as the source of the information	Section 18.3.7 - All listings displayed pursuant to IDX shall show the MLS as the source of the information
Failure to include required disclaimers	Section 18.3.8 – Participants shall indicate on their websites that IDX information is provided exclusively for consumers' personal, non-commercial use
Exceeding the number of listings to consumer inquiries	Section 18.3.9 - The data consumers can retrieve or download in response to an inquiry shall be determined by the MLS but in no instance shall be limited to fewer than 500 listings or 50% of the listings available for IDX display, whichever is fewer
Failure to separate displays from other sources	Section 18.3.11 – Listings obtained through IDX feeds from Realtor Association MLSs where the MLS participant holds participatory rights must be displayed separately from listings obtained from other sources.

Displaying prohibited statuses and sellers/occupant information	Section 18.3.12 - Display of expired and withdrawn listings are prohibited. Sold and Pending Listings may be displayed. Section 18.3.13 - Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and e-mail address (es) is prohibited.
Failure to employ required security protection	Section 18.3.14 – Participants are required to employ appropriate security protection such as firewalls on their websites and displays
Failure to maintain an audit trail of consumer activity	Section 18.3.15 – Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers
Failure to comply with the MLS's advertising rule on pages with IDX listings	Section 18.3.16 – Deceptive or misleading advertising on pages displaying IDX-provided listings is prohibited.
Failure to establish a broker-consumer relationship, or to receive participant consent for non-principal display	Section 19.1a – A VOW is a participant's Internet website, or a feature of a participant's website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship where the consumer has the opportunity to search MLS listing information, subject to the participant's oversight, supervision, and accountability. Section 19.3 a. i. The participant must first establish with that consumer a lawful broker-consumer relationship
Failure to obtain a name, email address, user name, and password for registrants	Section 19.3 a. ii. and iii. – The participant must obtain the name of and a valid e-mail address for each Registrant. The Participant must send an e-mail to the address provided by the Registrant confirming that they have agreed to the terms of use and verify that the e-mail address is valid. The Participant must require each Registrant to have a user name and password different from other Registrants on the VOW
Failure to expire passwords for registrants or to keep records for not less than 180 days after expiration	Section 19.3 b. – The participant must assure that each Registrant's password expires on a date certain, but may provide for renewal of the password. The participant must maintain a record of the name, e-mail address, user name, and current password of each Registrant for no less than 180 days after the expiration of the Registrant's password.
Failure to provide the name, email address, user name and current password for alleged breach of MLS listing information or violation of MLS rules	Section 19.3 c. – If the MLS has reason to believe that a participant's VOW has caused or permitted a breach in security of MLS listing information or a violation of MLS rules, the participant shall, upon request provide the name, e-mail, user name, and current password of any Registrant suspected of involvement in the breach or violation.
Failure to require registrant to agreement to required terms of use	Section 19.3 d. – The participant shall require each Registrant to review and affirmatively to express agreement to a terms of use provision

Failure to display broker's contact information or the respond to registrant inquiries	Section 19.4 – A participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication by which a consumer can contact the participant to ask questions or get more information.
Failure to monitor or prevent misappropriation, scraping, or other unauthorized uses of MLS information	Section 19.5 – A participant's VOW must employ reasonable efforts to monitor for and prevent misappropriation, scraping, and other unauthorized uses of MLS listing information.
Displaying seller address when unauthorized	Section 19.6 a. – A participant's VOW shall not display the listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the internet.
Failure to execute a seller opt-out form when required, or retain the form for 1 year	Section 19.6 b. and c. – A participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following provision.(Seller Opt-out form). The participant shall retain such forms for at least 1 year from the date they are signed or 1 year from the date the listing goes off market, whichever is greater.
Failure to disable third-party comments and AVMs	Section 19.7 a. and b. – Subject to subsection b., a participant's VOW may allow third-parties to i. write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or ii. to display an automated estimate of the market value of the listing in immediate conjunction with the listing
Failure to include email address or telephone number for displaying broker, or to correct false data within 48 hours	Section 19.8 – A participant's VOW shall maintain a means to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW.
Failure to refresh VOW data feed within 3 days	Section 19.9 – A participant shall cause the MLS listing information available on its VOW to be refreshed at least once every 3 days.
Unauthorized access to VOW Content	Section 19.10 – Except as provided in these rules, in the NAR policy, or in any other applicable MLS rules or policies, no participant shall distribute, provide, or make accessible any portion of the MLS listing information to any person or entity.
Failure to display participant's privacy policy	Section 19.11 – A participant's VOW must display the participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.
Failure to notify and provide access to an IDX display	Section 19.13 – A participant who intends to operate a VOW to display MLS listing information must notify the MLS of its intentions to establish a VOW and make it readily accessible to the MLS and all MLS participants.



Displaying prohibited information	Section 19.15 – A participant’s VOW may not make available for search by or display to Registrants any of the following information (a-f)
Unauthorized change to VOW content, or failure to identify the source of augmented content	Section 19.16 – A participant shall not change the content of any MLS listing information that is displayed on a VOW from the content as it is provided in the MLS.
<b>Category 3 Violations</b>	
Failure to submit a required listing to the MLS	Section 1 - Listing Procedures Section 1.01 - Clear Cooperation Section 1.3 - Exempted Listings Section 1.12 - Service Area
Failure to present an offer or provide written confirmation of an offer being submitted	Section 2.1 - Presentation of Offers, Section 2.2 - Submission of Written Offers and Counter- Offers, Section 2.3 - Right of Cooperating Broker in Presentation of Offer, Section 2.4 - Right of Listing Broker in Presentation of Counter-offer,
Advertising a listing without Authority	Section 2.7 – Advertising of Listings Filed with the Service
Failure to disclose existence of an offer	Section 2.9 – Disclosing the Existence of Offers
To misrepresent access to, and the ability to show, a property	Section 2.10 – Availability of Listed Property
Failure to inform participants of a rejected offer satisfying the terms of the listing contract	Section 3 – Refusal to Sell
Providing MLS information to brokers or firms that do not participate in MLS	Section 4 – Information for Participants Only
Violation of for sale and sold sign rules	Section 4.1 – For Sale Signs Section 4.2 – Sold Signs
Unauthorized solicitation of seller	Section 4.3 – Solicitation of Listing Filed with the Service
Failure to disclose status as a principal or purchaser	Section 5.1 - Participant as Principal Section 5.2 - Participant as Purchaser
Failure to pay MLS Dues, Fees and Charges	Section 6 - Service Fees and Charges
Misuse or unauthorized distribution of MLS content	Section 10 - Confidentiality of MLS Information Section 12 - Distribution Section 12.1 - Display Section 12.2 - Reproduction Section 13 - Limitations on Use of MLS Information
Violating an exclusive relationship agreement	Section 16.1 – MLS participants shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other MLS participants have with clients Section 16.12 – MLS participants are not precluded from making general announcements to prospects describing their services and the terms of their availability.

	<p>Section 16.19 – All dealings concerning property exclusively listed or with buyer/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 except where such dealings are initiated by the client</p> <p>Section 16.20 – Participants, users, and subscribers prior to or after their relationship with their current firm is terminated, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm.</p>
Failure to receive seller consent for signage	Section 16.2 – Signs giving notice of property for sale, rent, or lease, or exchange shall not be placed on property without consent of the seller/landlord.
Attempting to extend a listing broker’s offer of compensation to other brokers	Section 16.3 – MLS participants acting as subagents or as buyer/tenant representatives or brokers 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.
Knowingly obligating sellers to pay more than one commission	Section 16.9 – MLS participants 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
Directly offering or compensating the sales licensees of a participant	Section 16.11 – In cooperative transactions, MLS participants shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other MLS participants without the prior express knowledge and consent of the cooperating broker.
Failure to determine if a prospect is subject to an existing listing contract	Section 16.13 – MLS participants, prior to entering into a representation agreement, 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.
Failure to disclose relationship	<p>Section 16.14 – MLS participants, acting as buyers or tenants representative 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.</p> <p>Section 16.15 – On unlisted property, MLS participants acting as buyer/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</p>

	seller/landlord's representative or broker not later than execution of any purchase or lease agreement.
Attempt to modify the listing broker's offer of compensation	Section 16.18 – MLS participants, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms 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, or make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation.
Making false or misleading statements about competitors	Section 16.22 – MLS participants shall not knowingly or recklessly make false or misleading statements about other real estate professions, their business, or their business practices.
Failure to disclose the firm's name and state(s) of licensure	Section 16.23 – MLS participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner.
Misleading advertising and public representations	Section 16.24 – MLS participants shall present a true picture in their advertising and representations to the public, including Internet content, images, and the URLs and domain names they use, and participants may not: (a-e)
Failure to provide competent service	Section 16.25 – The services which MLS participants provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage.
Failure to complete orientation or continuing education	Section 17 – Any applicant for MLS participation and any licensee affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than 8 classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operations of the MLS within 30 days after access has been provided.