



GREATER
CHATTANOOGA
REALTORS®

09.05.2018 Notice of Amendments to MLS Rules & Regulations Enforcement Begins October 1, 2018

The MLS is moving away from the courtesy notifications and towards automatic fines for specific violations of the MLS Rules. **Enforcement of fines will begin on October 1, 2018.** The amendments to the MLS Rules have been approved by the MLS Committee and Board of Directors and accomplish the following:

1. Replace the former practice of courtesy notifications with automatic fines for:
 - Failing to file a listing within 48 hours (excluding weekends and holidays)
 - Failing to provide legitimate directions to the listed property.
 - Including personal information for company or listing subscriber in public remarks and public fields.
 - Failing to file at least one photo for any property type, including COMP listings, within 48 hours (excluding weekends and holidays).
 - Branding of images, virtual tours and/or framing for images or virtual tours with any information or additional images.
 - Failing to change list price or other changes in the original listing agreement within 48 hours (excluding weekends and holidays) after the authorized change is received by the listing broker.
 - Failing to update status, including reporting sales and leases within 48 hours (excluding weekends and holidays)
 - Failing to report within 48 hours (excluding weekends and holidays) that a contingency has been fulfilled or renewed, or the agreement cancelled.
2. Incorporate the former remaining MLS Policies into the MLS Rules;
3. Provide clarification for appropriate use of the Active status; and
4. Provide a definition for appropriate use of the Closed status.

Questions? Contact MLS Director Tonya Bell at 423.698.8001 or tonya@gcar.net.

The amendments are presented below in the order in which they are located in the full MLS Rules. *Strikethroughs indicate deletions; Underlines indicate additions.*

Section 1. Listing Procedures. Listings of real or personal property of the following types, which are listed subject to a real estate broker's license, and are located within the territorial jurisdiction of the MLS of Chattanooga, Inc., and are taken by Participants on an "exclusive right to sell" or "exclusive agency" listing form, shall be entered into the MLS within forty-eight (48) hours, excluding Saturdays, Sundays and holidays, of the effective date of the listing agreement. For failure to file a listing(s) within the required timeframe, the listing agent shall be assessed a fifty dollar (\$50) fine plus ten dollars (\$10) per day that the listing was not entered.

In satisfying this requirement, Participants and Subscribers should be mindful of Article 12 of the REALTOR® Code of Ethics, which requires that "REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, market and other representations"; Article 3, which requires "REALTORS®

shall cooperate with other 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"; and Standard of Practice 3-8, which requires, "REALTORS® shall not misrepresent the availability of access to show or inspect a listed property."

Section 1.2. Detail on Listings Filed with the Service. A listing agreement or property data form, when filed with the MLS by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form. When entering details, listing brokers should be mindful of the following:

- a. Bedrooms: Listing brokers should consider the following when entering the number of bedrooms:
 - i. Universal Residential Appraisal Report, 2nd Edition: A bedroom will have a closet and should not serve as a corridor to any other room.
 - ii. Southern Building Code requires that a bedroom have a window or door to the immediate outside for egress.
- b. Directions. Directions must be legitimate, not suggested ways to obtain said directions (i.e., "Use GPS," "Google them"). For failure to provide legitimate directions, the listing agent shall be assessed a fifty dollar (\$50) fine, and the directions removed by the MLS. For each occurrence of including the same or similar directions found to be in violation of these Rules, the listing agent shall be assessed an additional fifty dollar (\$50) fine for each occurrence.
- c. Personal Information: The MLS prohibits personal information for company or listing in the public remarks and/or any public field(s). For failure to comply with this prohibition, the listing agent shall be assessed a fifty dollar (\$50) fine for each and the information removed by the MLS. The listing agent shall be assessed an addition fifty dollar (\$50) for each occurrence of adding back the same or similar information found to be in violation of this Rule.
- d. Year Built: As confirmed by the tax records.
- e. Zoning: Zoning, when available, shall determine the Property Type in which a listing may be entered. If a property is zoned in more than one classification, the listing may be entered into both Property Types. For entered a listing in the incorrect Property Type, the listing will be removed by the MLS and noticed provided to the listing agent that the listing shall be entered within the required timeframe as outlined in Section 1. Listing Procedures of these Rules.

Section 1.2.5. Photos. One primary image (i.e., photo, drawing, plat, survey or similar media) is required for each listing filed with the MLS, including COMP sales, unless written documentation requesting an image not be submitted is signed by the seller and submitted to the MLS. Said image shall be filed with the MLS within forty-eight (48) hours of the listing date. For failure to include a photo, the listing agent shall be assessed a fifty dollar (\$50) fine plus ten dollars (\$10) per day that a photo is not included.

The branding of images, virtual tours and/or any framing for images or virtual tours with any information or additional images is prohibited. Examples of branding, include but are not limited to visual, verbal or written information; "for sale" signs or promotional signage; names, email address, websites or contact information for any persons or entities; logos; identifiable codes, symbols or colors; and names of any persons. For including a photo that violates these branding prohibitions, the listing agent shall be assessed a fifty dollar (\$50) fine, and the photo

will be removed by the MLS. For each occurrence of including the same or similar photo(s) found to be in violation of these branding prohibitions, the listing agent shall be assessed an additional fifty dollar (\$50) fine for each occurrence.

Images may not be enhanced to present less than a true picture of the listed property. Examples of prohibited enhancements, include but are not limited to, adding or removing permanent or semi-permanent features (i.e., power lines, fire hydrants, landscaping elements); altering the colors or features of the property or its surrounding landscape.

All images and tours submitted to the MLS are considered the property of the original listing agent and shall not be copied or used in any manner without written permission of the original listing agent.

In satisfying these photo requirements contained in these Rules, Participants and Subscribers should be mindful of Article 12 of the REALTOR® Code of Ethics, which requires that "REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, market and other representations.

~~Failure to abide by any of these Photo rules shall result in a warning that the offense must be corrected within forty-eight (48) hours. Failure to make the requested changes shall result in the photo being removed. A second offense of these Photo rules within ninety (90) days of the first offense shall result in the photo being removed and a fifty dollar (\$50) fine assessed to the Subscriber(s). A third offense of these Photo rules within ninety (90) days of the second offense shall result in the photo being removed and a fifty dollar (\$50) fine assessed to the Subscriber(s) and his/her Participant.~~

Section 1.2.6. Listing Status Definitions. It is prohibited to use showing instructions (i.e., a showing service, the "Showing" field) to circumvent the intent of this Section 1.2.6 and/or avoid using the appropriate listing status.

Active: A listing for which (1) Participant has a current listing agreement, (2) the property is available for showings, ~~unless so denoted in the Agent Only Notes and Public Remarks,~~ and (3) no offers have been accepted by the seller. An Active listing automatically will change to Expired at midnight on the date of expiration. Active listings are included in syndication feeds. Days on Market calculate while a listing is in Active status. The following showing exceptions apply for Active listings:

- a. Recurring Showing Exceptions. A listing with recurring showing exceptions (i.e., specific day/time due to religious restrictions or seller's sleep schedule) may be listed as Active provided said recurring showing exceptions are denoted in the Agent Only Notes and Public Remarks.
- b. Tenant Occupied Property: A tenant occupied property may be listed as Active provided any showing restrictions (i.e., showings prohibited until there is an agreement to purchase) are denoted in the Agent Only Notes and Public Remarks.

~~An Active listing automatically will change to Expired at midnight on the date of expiration.~~ A listing with contingencies* may remain in Active status only when the purchase and sale agreement is contingent upon the buyer having a first right of refusal should a seller receive and wish to entertain a subsequent offer. Once a first right of refusal has been removed, the listing no longer is eligible to remain in Active status. ~~Active listings are included in syndication feeds. Days on Market calculate while a listing is in Active status.~~

*This asterisk refers to the Contingent definition, for which there are no recommended changes

Closed. A closing is determined to have occurred when either the (1) deed on the listed property has been recorded, or (2) all necessary signatures have been obtained on a lease agreement.

Section 1.4. Change of Status of Listing. Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the service within forty-eight (48) hours except Saturday, Sunday and holidays after the authorized change is received by the listing broker. For failure to update the listing status within the required timeframe, the listing agent shall be assessed a fifty dollar (\$50) fine plus ten dollars (\$10) per day that the status is not updated to an accurate status.

Section 1.5. Withdrawal of Listing Prior to Expiration. Listings of property may be withdrawn from the MLS by the listing broker before the expiration date of the listing agreement, provided notice is filed with the service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the MLS Listing Service may remove the listing at the request of the seller.

A listing may not be Released/Cancelled and immediately re-entered as a new listing with the same Participant/Subscriber unless thirty (30) days have passed.

Note: Participants and Subscribers should be mindful of Article 12 of the REALTOR® Code of Ethics, which requires that "REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, market and other representations."

For failure to comply with the requirements of this Section 1.5, the listing will be removed by the MLS.

Section 2.5. Reporting Sales and Leases to the Service. Status changes, including final closing of sales or lease*, shall be reported to the MLS by the listing broker within forty-eight (48) hours after they have occurred. For failure to report a sale/lease within the required timeframe, the listing agent shall be assessed a fifty dollar (\$50) fine plus ten dollars (\$10) per day that the sale/lease was not reported. If negotiations were carried on under Section 2(a) or (b) hereof, the cooperating broker shall report accepted offers to the listing broker within forty-eight hours (48) after occurrence and the listing broker shall report them to the MLS within forty-eight (48) after receiving notice from the cooperating broker. *Lease rates for residential and commercial properties may, but are not required, to be disclosed.

Section 2.6. Reporting Resolution of Contingencies. The listing broker shall report to the MLS within forty-eight (48) hours excluding Saturdays, Sundays and holidays, that a contingency on file with the MLS has been fulfilled or renewed, or the agreement cancelled. For failure to report the resolution of a contingency, the listing agent shall be assessed a fifty dollar (\$50) plus ten dollars (\$10) per day that the resolution was not reported and the status was not updated to an accurate status.

Section 7.3. Use of Fines. The imposition of fines is to constitute a deterrent to violation of Rules and Regulations of the MLS and may be used from time to time as determined by the MLS Committee. Provided payment has been made, assessments made in accordance with these Rules may be appealed in writing to the MLS Committee, who may uphold or cancel the assessment.

Section 9.1. Violations of Rules and Regulations. If the alleged offense is a violation of the rules and regulations of the Service and does not involve a charge of alleged unethical conduct or request for arbitration, ~~it may be administratively considered and corrected within forty eight (48) hours after listing agent and broker have been notified,~~ and if a violation is determined, the MLS Committee may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Greater Chattanooga REALTORS® in accordance with the Association's Bylaws and Rules and Regulations within twenty (20) days following receipt of the MLS Directors' decision.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the MLS Committee of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to Professional Standards Committee of the Greater Chattanooga REALTORS® for processing in accordance with the professional standards procedures of the Association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the Board of Directors of the Greater Chattanooga Association of REALTORS®.

Section 18.7.1. Use of MLS-Approved Keyboxes. When "Yes" is entered into the Keybox Y/N field, said Keybox shall be a Supra Keybox issued by the MLS. Should a seller request a combination keybox in lieu of a Supra Keybox, the MLS recommends the listing broker also place an MLS-approved Supra Keybox to ensure cooperating Participants and Subscribers have timely access to the listed property.