

Pending Risk Management Committee Approval on January 4, 2018

RECOMMENDATION to Executive Committee

FROM:

Risk Management Committee

RECOMMENDATION:

Approval of revisions to: (1) AAR's Professional Standards Policies and Procedures Adaptations to the NAR Code of Ethics and Arbitration Manual; and (2) AAR's Waiver of Right to Hearing form.

BACKGROUND:

I. Policies and Procedures

NAR has revised its Code of Ethics and Arbitration Manual to provide that the ethics complaint process may now continue to proceed even if the respondent resigns or causes his or her REALTOR® membership to terminate. In other words, even if a respondent is no longer a REALTOR® member, the complaint may proceed through the process provided that the alleged unethical conduct occurred while the respondent was a REALTOR®. If discipline is thereafter ratified by the Board of Directors, the discipline shall be held in abeyance until the respondent rejoins an association of REALTORS®.

Currently, AAR's Professional Standards Policies and Procedures Adaptations to the NAR Code of Ethics and Arbitration Manual instructs AAR to hold an ethics case in abeyance for three (3) years if a respondent resigns, terminates or loses their REALTOR® membership. However, because NAR's change now allow an ethics complaint to continue to proceed under these circumstances, it is recommended that AAR revise its Policies and Procedures Adaptations to mirror the changes made by NAR to its Code of Ethics and Arbitration Manual.

To effectuate this, it is proposed that:

- A.** Section 19(B)(4) of AAR's Policies and Procedures Adaptations be deleted and replaced with the language set forth in Section 19(B)(4) of NAR's Code of Ethics and Arbitration Manual;
- B.** Section 20(e) of AAR's Policies and Procedures Adaptations be deleted and replaced with the language set forth in Section 20(e) of NAR's Code of Ethics and Arbitration Manual;
- C.** The verbatim restatement of AAR Bylaws Articles II, X and XIII as contained in AAR's Policies and Procedures Adaptations be deleted and replaced with a reference to said Articles; and
- D.** AAR's Administrative Time Frames – Ethics Proceedings, Internal Policy G, be deleted and replaced with the following language: "If held in abeyance, return case to GVC to consider after 3 years."

II. Waiver of Right to Hearing form

AAR's Waiver of Right to Hearing form, question one, asks respondent to verify that they "have not been found in violation of the Code of Ethics by any Board or Association of REALTORS® in the preceding three (3) years." The form further provides the following: "Your response to question 1 will be verified by the Grievance Committee Chairperson."

In reality, the Chair of the Grievance Committee does not have the means to verify whether respondent has or has not been found in violation of the Code of Ethics in the last three years. Consequently, this task is performed by AAR staff. To reflect this reality, it is recommended that the Waiver of Right to Hearing form be revised to state, "Your response to question one will be verified by AAR's Professional Standards Administrator."

BUDGET IMPACT:

None

MOTION:

(1) TO APPROVE REVISIONS TO THE ARIZONA ASSOCIATION OF REALTORS® PROFESSIONAL STANDARDS POLICIES AND PROCEDURES ADAPTATIONS TO THE NAR CODE OF ETHICS AND ARBITRATION MANUAL AS SET FORTH ABOVE;

AND

(2) TO APPROVE CHANGES TO AAR'S WAIVER OF RIGHT TO HEARING FORM AS SET FORTH ABOVE.

FOR MORE INFORMATION CONTACT:

Beth Adams – (928) 821-3289 / adamshomesaz2@gmail.com

OR Scott Drucker – (602) 248-7787 / scottdrucker@aaronline.com